Saturday Night

Canada's Magazine of Business and Contemporary Affairs

CTOBER 12TH 1957 20 CENTS

UN Emergency Force: World Policeman With A Future

BY MAXWELL COHEN

★

Krupp-Eaton Team To Cut Ungava Pie

BY JOHN MEYER

★

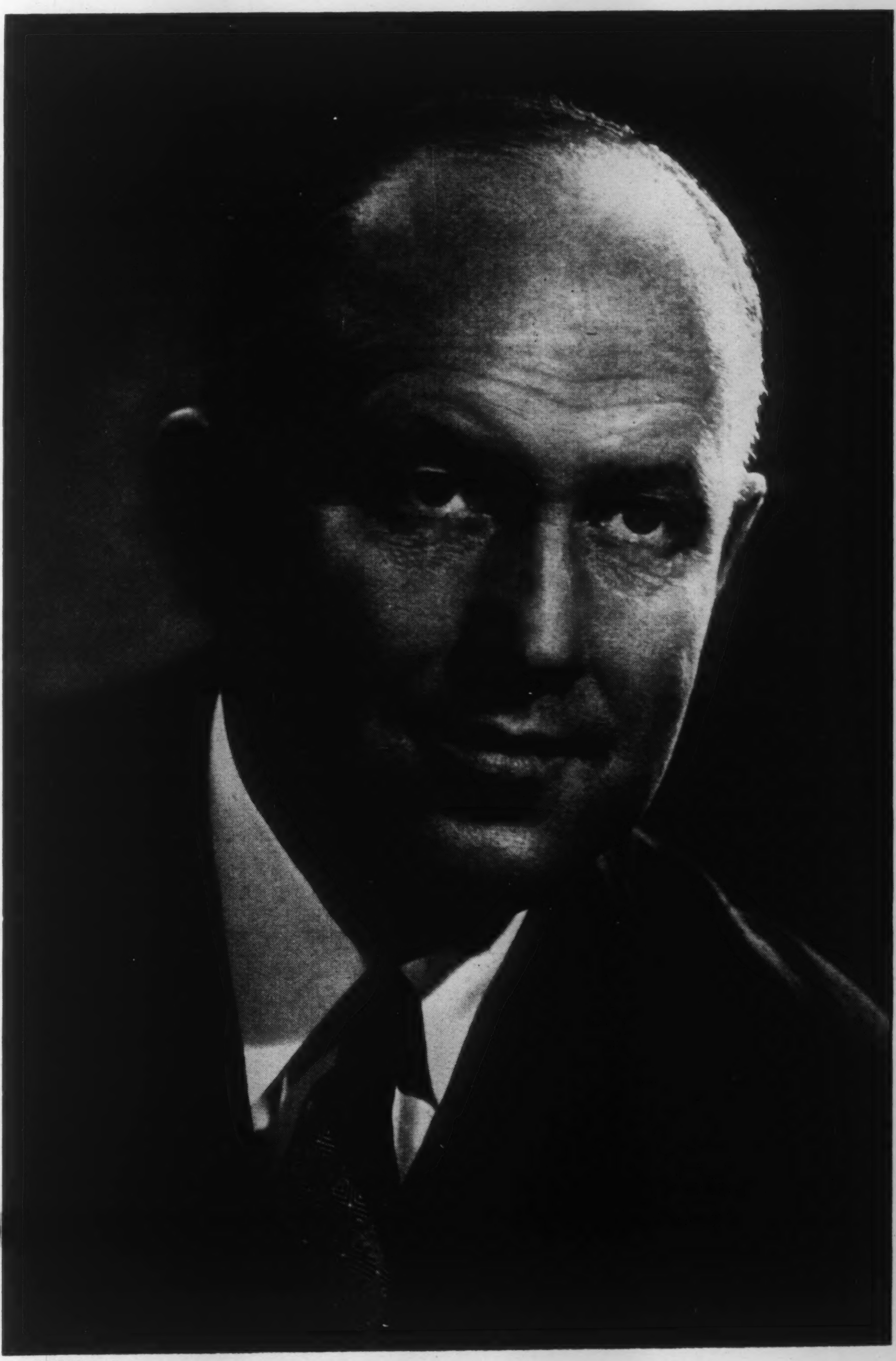
Ontario Near Beer: Feud Ends In Flop

BY GERRY MORAN

★

ndependent Retailers rganize To Survive

BY JON W. KIERAN



Oilman Harold Rea: Page 14

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Saturday Night

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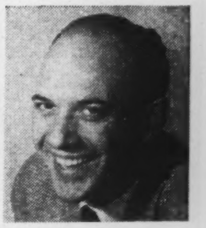
Robertson Davies

Robertson Davies, SATURDAY NIGHT book critic, novelist, playwright and editor of the Peterborough *Examiner,* has returned to his accustomed place in the magazine after a summer's vacation during which he was replaced by Arnold Edinborough. On page 25 of this issue he discusses the work of American novelist James Gould Cozzens and the new maturity in American fiction compared with the recent romanticism.

Jon W. Kieran

Jon Kieran was born in Montreal and educated at Loyola College. He began his career as a radio announcer and writer, later switched to newspaper and news service writing and editing. After a fling at public relations he now devotes his time to free-lance magazine writing. He makes his headquarters in Toronto, with his wife and five children. He is an avid collector of symphonic records and Canadian books.

John Meyer



John Meyer, who reports on the recent Krupp-Eaton deal in Ungava iron ore, on page 7, is a financial columnist and business reporter for the Montreal *Gazette* and a freelance writer on business subjects. While he was still in high school he read proofs for Judith Robinson's *News.* He left Queen's to join the *Gazette* in 1942. A year later he switched to the Toronto *Star* and worked in a variety of jobs including weekly newspaper editor and public relations officer until his recent return to the *Gazette.*

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Letters

Poor Pedestrians

I have just returned from a visit to Toronto and I am still trying to quiet my shattered nerves. I cannot forget the spectacle of frightened pedestrians scattering from the painted crosswalks on Yonge Street and elsewhere while the motorists barge blindly ahead without a concern. Here in Vancouver we have painted crosswalks too but we have signs which say to drivers "Stop When Occupied". Our traffic moves quite briskly, too, and a person can cross a street at the proper place in safety. I have no idea why the people and government of Toronto permit such an appalling and dangerous practice. Even the horrifying statistics seem to have no effect.

VANCOUVER — WILLIAM SHIRES

"Safe" Motor Cars

When is some really bright motor car manufacturer going to see a demand and meet it? This demand is for a "safe" model; it could be of any make or series. This car should have a strengthened frame, heavier body, complete rubber padding, flexible wheel and steering shaft and, of course, seat belts. If these features cut down speed, good! The car might even be equipped with a governor which would ensure speeds no higher than 60 mph. The horrible toll of life on the highways is leading more and more people to give up motoring—"too risky" they say; given a model with proper safety features they might venture forth again. Who will be the first to fill this growing demand?

HAMILTON — JEFFERSON DEWOLFE

The Human Race

Might I be allowed a reply to R. L. Quinn of Hamilton whose letter under the heading "The Human Race" ends with a rather unhappy deprecation of the Home and School?

I do not know what unfortunate experience Mr. Quinn may have had with his local Home and School, but I wish to assure him that not all members of the Home and School are sissies or dreamy-eyed idealists who are far removed from the hard-headed realists of the human race to which group he prefers to belong. In fact there is something very down-to-earth about the process of conception and child-bearing which also demands "skill, courage, toughness, and fighting spirit". I feel sure that Mr. Quinn did not intend to speak out against the very fine part in the education of the young of Canada that is being played by Home and School Associations across the country.

WINNIPEG — HAROLD ROBSON

Taxicab Ads

A recent blight on the streets of Toronto is the appearance of some taxi-cabs with huge ugly advertising signs stuck on the rear. Presumably the taxi passenger pays for his transportation at reasonable rate allowing a profit to the operator; he should not, therefore, be expected to be an involuntary sandwich-man. May I suggest a remedy? When ordering a taxi by telephone, ask the despatcher to send a cab without an advertising sign; when hailing a cab try to pick one without the offensive appendage. The proper place for advertising is in publications.

TORONTO — M. J. BRIAN

Foreign Affairs

My congratulations on your selection of such an authoritative writer as Professor Maxwell Cohen to cover the most important field of foreign affairs. I enjoyed particularly his recent article on The Columbia River; it not only clarified a situation which has been most unclear to many Canadians but it covered as well the important overall matter of U.S.-Canadian relationship. It was a splendid follow-up to Lester Pearson's observations some time back.

May I, however, in all humbleness make a suggestion? Could the articles be a little shorter? Magazine readers have neither the time nor the patience of those who peruse the journals of the learned societies.

KINGSTON — WILLIAM KNOX

In the Bag

An interesting movement is under way in Quebec to stop Lester Pearson from becoming the Liberals' next leader. It originates with the isolationists in Quebec, who fear both Mr. Pearson's acknowledged internationalism and his probable lack of parochial appeal in their province.

They are not making a direct attack. They are touting Mr. Marler, a bi-lingual Quebec Protestant. Mr. Marler, of course, doesn't stand a chance, and they know [illegible] he was an ineffective provincial leader and an ineffective Federal cabinet minister. But he is a rallying point. If a rally can be managed, the strength will then be switched to another, stronger candidate more acceptable to the Quebec hardshells than is Mr. Pearson.

Unless Mr. Pearson pulls some atrocious boner, however, the Quebec Liberals will be no more successful than were the Quebec Conservatives who tried to head off Mr. Diefenbaker. The wiser heads in the Liberal ranks realize that it could be fatal for their cause to get tagged as a "Quebec party". They're picking Mr. Pearson as a man free of provincial bonds. Mike has it in the bag.

MONTREAL JOSEPH ROY

Varsity Grads

Thanks for your recent articles on Dr. Sidney Smith and particularly on the planned expansion of the University of Toronto (not Toronto University, incidentally). These will be read with profit and pleasure by the many thousands of graduates of this fine educational establishment who are now scattered from coast to coast. It is pleasant to have a Canadian publication which is wise enough to keep in mind the large percentage of readers who have university backgrounds.

CALGARY ROLAND LYONS

Public Service

SATURDAY NIGHT is now performing a real public service. Two articles in your last issue deserve special commendation. They were "Trial by Newspaper" and "Too Many Air Show Deaths". If these are studied by the influential portion of the community that constitutes your readers we may expect some action which will make this country a happier and safer place. Good luck to you.

VANCOUVER JAMES RICHARDS

Reference your article "Too Many Air Show Deaths". How many would be OK?

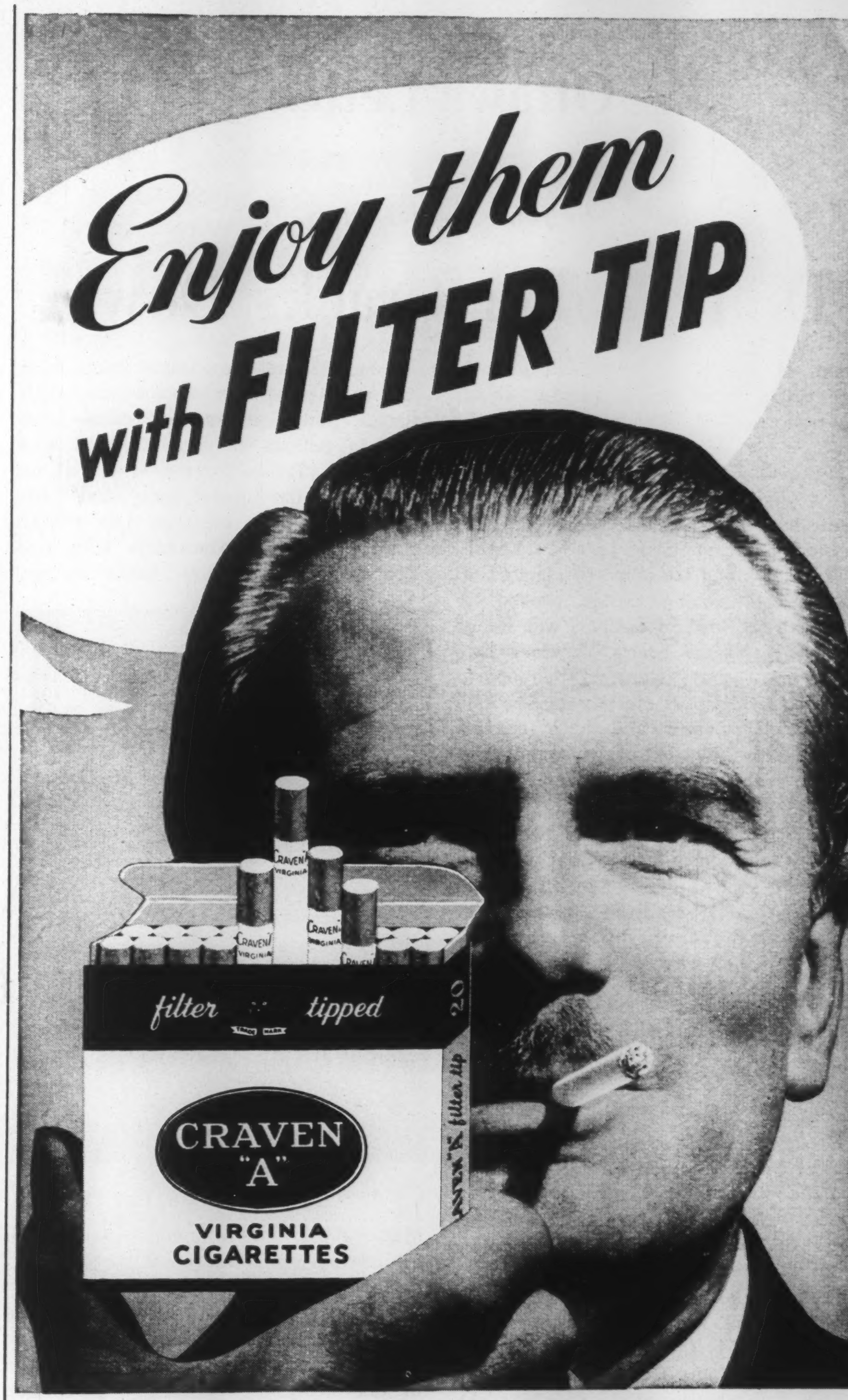
WINNIPEG J. D. S. BLOOM

Travel

May I commend you on the restoration of the Travel section in SATURDAY NIGHT which was for so many years one of its more enjoyable features. While it is true that the experienced traveller makes his detailed arrangements through a travel agent, the urge to travel and the selection of areas to visit can be cultivated through articles such as you publish. It is pleasant, too, to see scenes which one has visited; in this instance I refer to your recent picture story on San Francisco.

BROCKVILLE JAMES W. MASON

Editor's note: SATURDAY NIGHT *plans to continue "Travel" as a regular feature of each issue.*



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Ottawa Letter

by John A. Stevenson

Diefenbaker Cracks Down

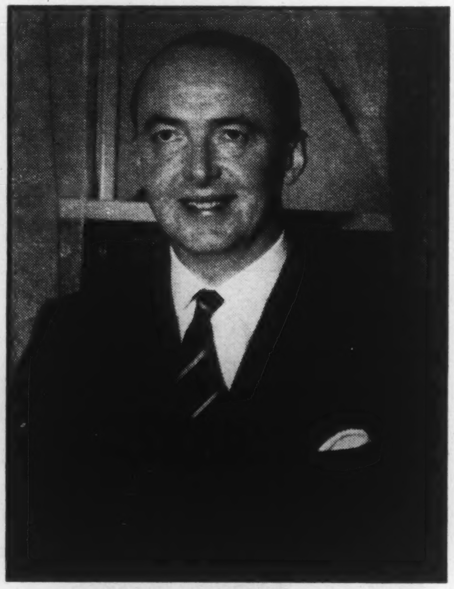
THERE IS WHAT Sir Winston Churchill once called "a sense of urgency" about the performances of our new Government.

The weekly spate of statements flowing out of Ministerial offices keeps their press agents busy and serves to create the impression in the public mind that our rulers are not eating the bread of idleness. A long special evening session needed to cope with the load of business was freely advertised and the hearts of weary taxpayers are being gladdened by reports that certain Ministers are proving successful financial sleuths and have tracked down indefensible extravagances of the late Government, which can be eliminated or pared down drastically.

The Prime Minister has had two more bouts of electioneering at Charlottetown and Smith Falls, Ont., and in his address to the faithful at the former place he issued a solemn warning to the other parties that, if they tried to push his Government around, it would be at the peril of facing a second election. He also gives evidence of his determination to follow the example of the late Lord Bennett and be supreme cock of the walk in the Ministerial hen run.

At the press conference which followed Dr. Sidney Smith's formal admission to the cabinet, the new Secretary for External Affairs, interrogated about his views on the late Government's policy about Suez, said "I agreed in the main with it". The Prime Minister cracked down on him with the tart observation "Your policy is the policy we advocated at the time in the House of Commons". So Dr. Smith will have to revise his views about the Suez affairs and bring them into conformity with a Tory motion of non-confidence which rebuked the Government for its gratuitous condemnation of Britain and France and for placing Canada in the humiliating position of accepting dictation from President Nasser.

A prominent Liberal Senator was wont to declare that the late Mackenzie King would have been a more likeable man and also a better Prime Minister, if he had had on his hearth a friendly critic in the form of an intelligent wife. Mr. Diefenbaker, however, will not suffer from this disability and it is many a long day since Canada has had a Prime Minister with a consort who is politically minded. Lady Laurier was keenly interested in politics and was credited with using her influence for the benefit of her favorites in the Liberal party. But Lady Borden and Mrs. Meighen left politics to their husbands. Mackenzie King and Lord Bennett were both bachelors and Madame St. Laurent made no secret of her distaste for politics.



Chancellor Thorneycroft: Co-operation?

Now Mrs. Diefenbaker, a well-educated woman, who has held responsible posts in the field of education is keenly interested not merely in the furtherance of her husband's political fortunes but also in political, economic and social problems, about which she has decided views of a progressive nature. There is good ground for the belief that the Prime Minister has great confidence in her judgment and consults her freely about many of his moves. Such deference does not mean that we are going to have an era of petticoat government but merely that the feminine intuition of an intelligent woman, who is well informed about current affairs, will be at work behind the scenes in the councils of the Diefenbaker Ministry.

Mrs. Diefenbaker has already given evidence of using the Prime Minister's expensive official residence for its avowed purpose by making it a centre for the dispensation of generous hospitalities, appropriate to the dignity of Canada's Prime Minister. A century ago in Britain Lady Palmerston's charm and skill as a political hostess was a great factor in making her rather raffish husband a popular and successful Prime Minister. While Mrs. Diefenbaker may not be able to match the record of a highborn lady who was cradled in politics, she promises to be a great asset to the Progressive-Conservative party.

The appearance of no fewer than seven British ministers in Canada in the single month of September was an invasion which has had no parallel since the Imperial Economic Conference at Ottawa in 1932 and it indicated that the leaders of the British Conservative party were so heartened by the emergence into power of a Canadian Tory Prime Minister, that they are determined to establish a close rapprochement with their Canadian political blood brothers. They are probably quite innocent of the effect, which such a concordat, if it became effective on a wide scale, would have upon Mr. Diefenbaker's chances of winning seats in Quebec in a second election. But the Prime Minister must be aware of it and the British may find that their hopes of very profitable fruits from the rapprochement have been pitched too high.

Mr. Heathcote-Amory, the Minister of Agriculture, Mr. Aubrey Jones, the Minister of Supply, the Earl of Selkirk, First Lord of the Admiralty and Sir Harry Hylton-Foster, the Solicitor-General were all here on separate minor missions. But much more interest attached to the delegation of three Ministers who represented Britain at the conference of the Finance Ministers of the Commonwealth at Mt. Tremblant. Its leader, Mr. Peter Thorneycroft is now an experienced politician but his Free Trade proposals to Canada came apparently as a complete surprise here. David Eccles, President of the Board of Trade, has the misfortune to be unpopular with all parties in the British House of Commons where his self-confident slickness in debate has, according to the parliamentary correspondent of the *Spectator*, earned him the nickname of "Smartieboots". The Third British Minister, Mr. Maudling is rated one of the rising stars of the British Tory party and, while he only holds the relatively minor office of Paymaster-General, he has recently been elevated to the inner circle of the Cabinet and given charge of the complicated negotiations about Britain's partial adhesion to the projected European Common Market.

The effect of this departure from traditional policies upon the fiscal relations of Britain with the rest of the Commonwealth must have been thoroughly discussed at Mt. Tremblant. So far it is not known whether the Diefenbaker Ministry paid any heed to representations made to it by British opponents of the common market that Canada ought to take a firm stand against the plan. They argue that, if Britain's trading interests became closely intertwined with the meshes of the European Free Trade area, the pledges of Prime Minister Macmillan that Britain's economic ties with the rest of the Commonwealth would always have prior consideration, might prove impossible to fulfill.

Since our Government was the originator of the conference, its experts on economic and financial problems had been hard at work for weeks preparing its case for the improvement of the internal trade relations of the Commonwealth, but obviously there could only be preliminary exploration of the merits of its proposals as the prelude to a later conference at a higher level. But Washington will sense that the conference at Mt. Tremblant represented an effort to achieve closer economic cooperation between the partners in the Commonwealth and it may strengthen the hands of our quartette of Ministers, when they confer with their American opposite numbers about the economic relations of Canada and the United States.

The only charitable explanation of the appointment of Senator John T. Haig of Winnipeg as the Government's leader in the Senate with a seat in the Cabinet is that it represents a generous gesture on the part of Mr. Diefenbaker to let an old political warrior enjoy a brief hour of glory when he voices the Senate's loyal devotion to the Queen, after she opens the new Parliament on October 14, and that his speech will be in the nature of a swansong to be followed by his early retirement.

If all the vacancies in the Senate are filled before Parliament meets, 22 Progressive-Conservative Senators, most of them raw recruits to politics, will face a serried phalanx of 78 Liberal Senators and obviously, under these circumstances, very competent leadership, combining vigor with adroitness will be required on the Conservative side if the Government is to secure smooth passage for controversial legislation sent up from the House of Commons.

There is abundant evidence that Senator Haig is well past the prime of his powers. How he can supply the sort of leadership which his party needs in the Senate, passes the comprehension of the parliamentary press gallery, whose members received the news of his appointment with incredulity. So, if it does not prove to be merely a kindly act of friendship, and is intended to be permanent, it will raise a question mark about the Prime Minister's capacity for appraising the fitness of men for holding important offices.

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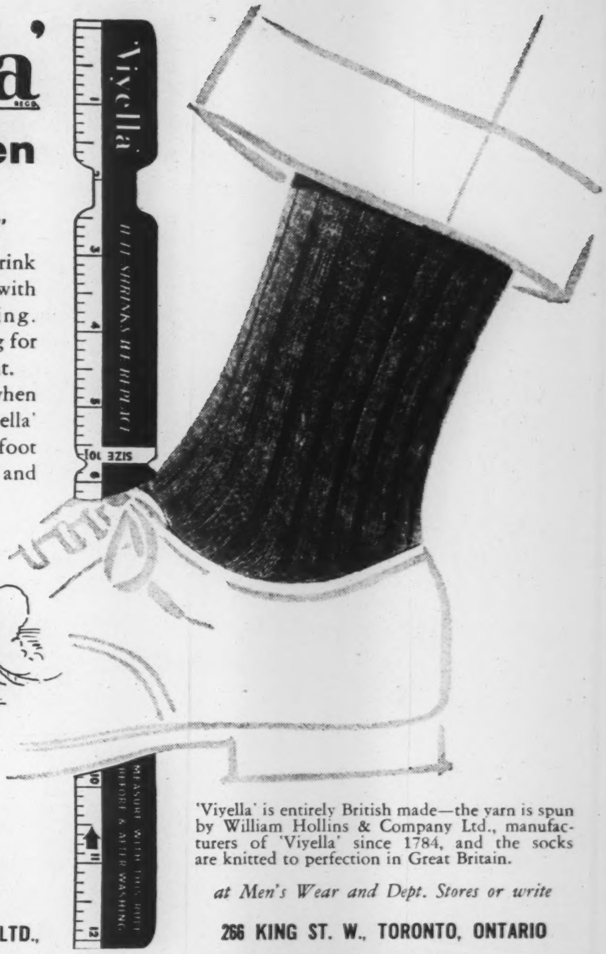
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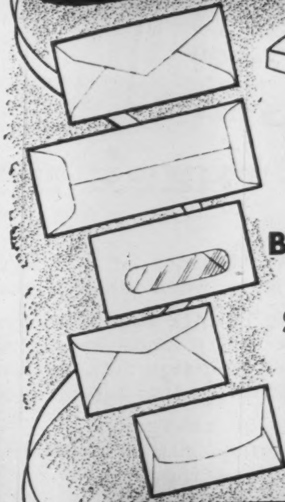

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Saturday Night

A West German industrialist and a Canadian-born American financier join forces to exploit Ungava iron.

Cyrus Eaton is Krupp's partner in the scheme to tap Ungava's riches.

Krupp-Eaton Team To Cut Ungava Pie

by John Meyer

A $200 million iron ore development will be started next year at the northern end of the Labrador Trough, adjacent to Ungava Bay. The time table for the development schedules shipment of concentrated ore at an annual rate of half a million tons by 1961, two million tons by 1963 and five million tons by 1965.

Behind this undertaking are Cyrus Eaton, the Canadian-born (Pugwash, N.S.) financier who brought Steep Rock into production, and a consortium of five West German steel producers, most prominent of whom is Alfred Krupp von Bohlen und Halbach.

Krupp arrived in Canada in mid-September on the first leg of a cross-Canada tour. His plans for a personal inspection of the Ungava properties were interrupted, however, by the death of his mother. He flew back to Germany four days after his arrival.

The four days he was here, though, were more than enough to touch off a wave of speculation about the Ungava prospects, one by-product of which was a demonstration outside his hotel in Montreal by representatives of that city's labor movement.

"We've nothing against Krupp personally," said one picket. "But we feel that labor should be represented in any negotiations between Krupp

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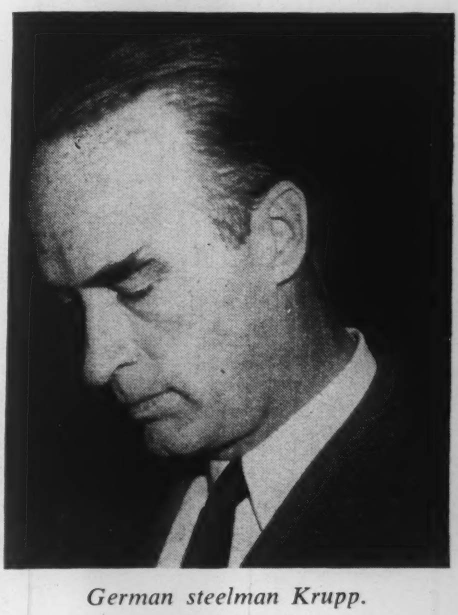


German steelman Krupp.

Canada's General E. L. M. Burns in the UNEF uniform which he has designed.

UN Emergency Force:

World Policeman With a Future

by Maxwell Cohen

IN THE twelfth UN Assembly now in session the chronic political plagues of our time will appear again on the agenda to excite, inspire and frustrate the members. Algiers, disarmament, the Middle East, Communist China, capital assistance to the undeveloped countries, all will invite polemics and propaganda and move perhaps no closer to the quiet finality of "solutions". But one subject will have about it the aura of hope, an air of success—the United Nations Emergency Force. When this item comes up through the Secretary-General's report about its services, and to determine its financing and its future, there will be many states that will find more than a good word to be said for this unique experiment in multi-national policemanship.

It is almost a year since those shock-filled days when a double crisis hit the world of politics and power both inside and outside the United Nations. The Anglo-French action in Suez so soon to prove a disaster to the aims and prestige of these two great supporters of the Charter, followed months, indeed, years of provocation by Egypt, spearheading an Arab drive to destroy the remnants of Anglo-French influence in the Middle East. Israel, surviving eight years of unceasing threats and minor murderous stabs at her security, and faced with the sudden appearance of large-scale Soviet arms in ambitious Egyptian hands, moved into Sinai, Gaza and the Gulf of Aqaba to rid herself once and for all of guerillas and blockade.

The moral position of Britain and France was not without some merit even though it was offset by the shock to international opinion in this use of force by two great supporters of the United Nations system. On a lower level but perhaps more "real" was the obvious ineptness that surrounded the execution of the project which ought to have been labeled "Operation Desperate". For success in a military, technical sense might have done much to retain the stature of these states which could not withstand both failure and illegality.

The Commonwealth if not split was certainly divided.

The architects of NATO found themselves coldly apart when Washington made it clear that it could not support the adventure. And the free world, rocking with disbelief, was saddened by this spectre of disunity when cohesion must still remain its watchword. At this moment, too, in the last days of October and the first days of November, 1956, the repressed sensibilities of Hungarians burst forth for a fleeting week or two until the Russians returned to crush an authentic and tragic rebellion. In retrospect if, at that moment, the free world had been united and its own hands not caught in the disastrous web of the Middle East, with what power and chorus it might have called "halt" over the noise of Russian guns blasting in the streets of Budapest. For now, by an ironic twist, it was possible for the enemies of freedom or those who pretended to be neutral, to draw an unholy equation between the hesitating ineptitude at Suez and the crushing ruthlessness on the Danube.

Looking back then upon those unbelievable days of double crisis, and double standards, with unhesitating UN resolutions to decry the Middle East and only stammers toward condemnation of Hungary, what emerges as the one event of great significance for the moral foundations of world order, as well as for the developing machinery of peace, was the readiness with which Britain, France and Israel withdrew as the burdens of opinion and their own moral standards led them to accede to the Assembly's resolutions. And the technique that made it possible to save their faces, and to provide Israel at least with some of the security she was now to be denied giving herself, was the creation of the United Nations Emergency Force.

UNEF's immediate origins, in a narrow historical sense, were the proposals of Lester Pearson to the General Assembly on Nov. 2nd/3rd, 1956. So eager were all states to find a way out of the impasse—including large sections of British opinion— that the device was seized upon as a godsend both for its merits and for its face-saving value. On Nov. 4th, the U.N. asked the Secretary-General to submit a plan for such a Force and by Nov. 7th Mr. Hammarskjold had prepared two reports on the subject while the Assembly passed two resolutions. The first established a United Nations Command, with General Burns as commander; and the second provided detailed machinery for the recruitment of staff and units and for financing and subjecting the force to the control of the General Assembly through an Advisory Committee of seven states with the Secretary-General as chairman, Brazil, Canada, Ceylon, Colombia, India, Norway and Pakistan.

There was not very much experience upon which Mr. Hammarskjold and the Assembly could model their new charge. In the League days one or two exotic efforts had left few important police lessons for a much harder world. An international command to help police Vilna in 1920 never came into being. Tardieu's request for an international force as a preface to French disarmament proposals in 1932 seemed unreal and moved not much beyond the memorandum. The dispute between Colombia and Peru over Leticia in Colombian territory led to setting up a program of League supervision and occupation, but the force used was entirely Colombian al-

CONTINUED ON PAGE 40

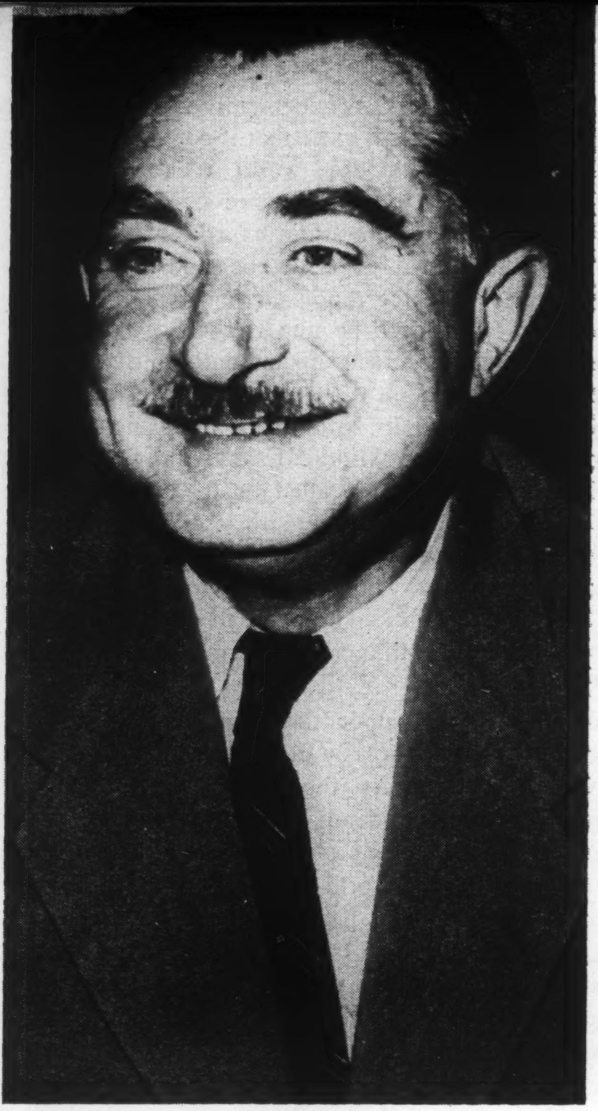
Based on a Canadian idea, the foundations have now been laid for a force with a great deal of symbolical value and which may grow into permanent international police.

The force has grown to some 6,000 officers and men with Canada supplying the largest single contingent.

Canada also supplies the force with administration, signals, reconnaissance and air transport facilities.

What happens to a Canadian Communist who is suddenly cast out of the party into the cold, capitalist world?

by Frank Rasky



Joseph Salsberg, 54, one-time Communist member of the Ontario legislature, wants a new Marxist party.

Canada's Communists Wither Away

THERE IS SOMETHING sad about the death of a political party. Canada's Communist movement, the Labor Progressive Party, is now breathing its last, convulsive gasps, and nobody could be sadder than Joseph Baruch Salsberg, the revolutionary who for 30 years tried to breathe Marxist life into it.

Salsberg was the party's MPP in Toronto's Jewish garment district of St. Andrew for 12 years. Today he finds himself branded "Canada's Tito", and his ex-LPP followers derided as "Salsberg's Fifth Column". Tim Buck's party loyalists now scorn Salsberg, because he urges death to the LPP, accusing it of "blind subservience" to Moscow's anti-Jewish party line.

In fact, the LPP is virtually a corpse already. Party membership, as high as 25,000 in 1945, has dwindled to a hard core of 3,000 since the uprisings in Poland and Hungary. The party's voice, *The Canadian Tribune,* once a daily with 15,000 subscribers, has fallen to a squeak—a puny, eight-page weekly with 900 subscribers, its editor, Jack Stewart, ousted and replaced by Tim Buck's loyal lieutenant, Leslie Morris.

The party's Jewish political arm, the United Jewish Peoples Order, its membership in Toronto decimated to 1,050, now cries its guilt with Salsberg, and publicly disassociates itself from the LPP. The party's subsidized newspapers, *Canadian Negro* and *The Champion,* published by the Red-dominated National Federation of Labor Youth, have both folded. And its Jewish *Vochenblatt* and Hungarian *Munkas* are both shaky.

The worst blow to the party, however, has been the defection of some of its best-known leaders. Guy Caron and five of his fellow LPP executives in Quebec began the exodus last October. They resigned, protesting the LPP's "cult of Tim Buck" and knee-bending to the Khrushchev regime's "anti-Semitism".

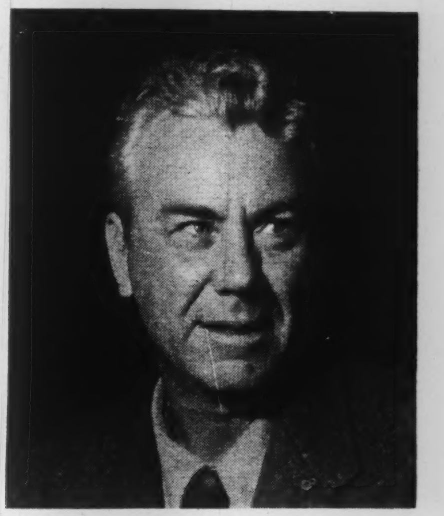
This was followed last May by the walkout of Salsberg and three other LPP high brass: Stewart Smith, the party's Ontario leader; Harry Binder, the party's national treasurer; and Sam Lipshitz, leader of the party's national Jewish committee. They complained that Tim Buck, despite "shocking revelations of terrible crimes" committed against Hungary, Poland and Soviet Jews,

Grossman, P.C., beat Salsberg at polls.

Communist boss Tim Buck fought Salsberg charges of Moscow domination.

Former bigwig Smith sells vacuums.

Kardash, Manitoba's party faithful.



Morris, Canadian Tribune *editor.*

still took orders uncritically from Moscow. It was not their intent to form a new Communist party in Canada, the dissident quartet insisted. Rather, it was to provide "ideological clarity" to other doubt-torn left-wingers, who would form a "new Socialist re-grouping".

What happens to a disillusioned Canadian Communist, suddenly off the LPP payroll, who has turned in his party card along with his loyalties, and now has to work for a living, like one of the toiling "masses"?

Stewart Smith became a salesman of vacuum cleaners. Harry Binder was trying his hand as a bookkeeper. Sam Lipshitz returned to his job as a printer.

Salsberg was perhaps the most popular of all Canadian Communist leaders—a rare Marxist endowed with a sense of humor; a humane man known to fight for the civil rights of non-Communists; a witty orator adulated by his disciples. After years of being politically lionized, with so much apparent power and prestige cupped in his paws, would the 54-year-old Salsberg return to his old job as a $48-a-week pants-cutter?

Salsberg lives in a modest, second-storey flat on Toronto's Madison Avenue, (apparently financed, not by Moscow gold, but by his non-political wife, who is a social worker). His bushy red moustache, which he originally grew to make himself look older when he was a youthful millinery trade union organizer in Montreal, now is sprinkled with silver. A cigaret droops interminably from his lips; his blue eyes are pouchy. He seems lit with his old cheerfulness only when examining the scholarly Yiddish journals in his book-tiered den, or when admiring a prominently displayed print of Marc Chagall's White Russia painting, *The Rabbi Of Vitebsk.*

Yet, despite all the outward signs, Salsberg denies that he is returning to his religious faith, which Karl Marx, still his political messiah, once called the opium of the people. "I attend a house of worship as regularly as Abraham Lincoln did," he says. "I haven't been a devout synagogue-goer since the days when I studied the *Talmud* as a rabbinical student."

Salsberg also denies that he is heading up a new splinter party, though the itch for power still seems

CONTINUED ON PAGE 29

A teetotalling promoter stirs up a summer storm with an abortive attempt at putting beer-like brews on the shelves of Ontario grocers.

Ontario Near Beer Feud Ends in a Flop

by Gerry Moran

WHITE-HAIRED, BLUE-EYED Stanley Joseph Daly has spent 35 years in various promotions and enterprises including chinchilla-breeding, mink-raising, dog food producing, insurance and county politics. His latest gimmick — and by no means his most successful — is an attempt to put beer, of one kind or another, into Ontario grocery stores.

The idea was born two years ago at a coffee session that followed a Toronto meeting of alcoholics anonymous. Daly and his teetotalling cronies reasoned that many people drink too much because liquor is so hard to come by in Ontario. It becomes a battle of wits between drinker and government and to some individualists and non-conformists it is an irresistible game in which they indulge too enthusiastically.

Daly's solution: put beer in grocery stores.

Ontario's liquor board studiously avoids charging grocers with illegal beer sales to avert test case.

This solution appealed to Daly who is in his early fifties. Time was hanging heavily on his hands and he missed the fast profits and frenzied activity of the heyday of his promotional activities. The leisured life of a city gentleman puttering in his North Toronto rose garden wasn't enough to keep him amused and the beer idea might be highly profitable.

Daly formed an association of grocers and set it up as a non-profit corporation with himself as president and hired salesmen to sell memberships at $25 a year. The inducement was: "There will be beer on grocery shelves in a year — and only members of the association will get it." He called his association, "The Great Retail Grocers Association of Ontario Incorporated."

By the beginning of this year 2,000 grocers were signed up and they had persuaded 60,000 of their customers to sign a petition asking for sale of beer in their stores. The $50,000 war chest was split two ways. The salesmen got $20,000 and Daly and the association controlled the rest.

Daly confidently expected his petitions would inspire a new Ontario liquor act and he waited for the summons from Premier Leslie Frost to help work out the details. Instead Daly was told Frost's reaction had been, "Never as long as I am Prime Minister will there be beer in grocery stores!"

Miffed by the brush-off, Daly changed his tactics and hired a Toronto public relations executive. They began stirring up public opinion over the alleged government slight of 60,000 earnest petition-signers. They turned up a provision in the Ontario Liquor Act defining beer as a beverage having more than 2.5 per cent alcohol. The act said nothing about weaker brews and the federal Health Department actually laid down standards for a sub-2.5 brew. Daly figured they could take advantage of the loophole.

Meantime, however, membership sales had dropped to almost nothing and, to give them a boost, they threw discretion to the winds and announced to the press that beer would be on sale in Ontario grocery stores within six to 10 weeks "whether Premier Frost likes it or not".

All this bravado, of course, wasn't brewing any beer and Daly went to the smaller Ontario brewers, looking for a source of supply. He stayed away from the big breweries, reasoning that they were happy with the status quo of controlled warehouse sale.

Some brewers expressed an interest but all eventually backed away from the deal. He had no more luck in the Maritimes and finally turned to U.S. brewers. One of them—Georgia Stein Brewery Inc., of Buffalo—agreed to produce a light beer, with less than the 2.5 per cent alcohol, for an appropriate profit.

With the big hot-weather beer market only days away the brewery rushed samples to the Ontario Liquor Control Boards for analysis and clearance. The analysis, which ordinarily takes a few hours, took almost two months. Finally the board reported the beer's alcoholic content over 2.5 per cent and therefore subject to the board's regulations for sale of intoxicating beverages.

Undismayed, Daly, within hours, had contacted a New Brunswick brewery — Red Ball Brewery Ltd. of Saint John — which was producing a light beer for sale in temperance-bound P.E.I. As the brewery president later described it: "He practically crawled right through the long-distance wires until I promised to sell him a truckload that day and just about everything I could make."

As the truckload arrived, William H. Collings, M.L.A., the L.C.B.O.'s chief commissioner, a temperance proponent who controls the province's liquor trade at a $50-million annual government profit, sent for his lawyers.

It took a month but finally the board informed the federal Department of Revenue that, although the product contained only 2.1 per cent alcohol the board *deemed* the brew intoxicating and wished to exercise its right to keep the stuff out of the province. The revenuers laid down the law to the brewers and that was the end of it.

Daly went back to his American brewer and a truckload of re-brewed and properly weak beer was shipped but was turned back at two different border points despite pressure on Frost and Collings by U.S. interests, protests from the State Department and threats to cut off Canada's 10-million-case sale of beer in the U.S.

Meantime, while Daly and Collings feuded, a New Jersey brewer slipped across the border and flooded Ontario restaurants with a beer-like beverage that looked like beer, smelled like beer and almost tasted like beer but had a minuscule alcoholic content of one half of one per cent.

By the end of September three new near beers were ready for market. Two were made especially for the association's Fleming Import Company, a vehicle designed to make the beer profits that the non-profit association couldn't properly distribute and named for Daly's son-in-law, John Peerless Fleming. The third was made by a mid-west brewery anxious to cash in on what looked like a good thing.

Some light beer is still on sale in scattered Toronto stores and the association is pushing for a test case to establish its legality. Collings, who feels he has the situation licked, is carefully steering away from a court case and he has plans to amend the act at the next session of the Legislature to exclude every beer, near beer and light beer, from grocery stores and unlicensed restaurants. Daly hopes to thwart him by showering members of the legislature with petitions from thirsty constituents.

Ontarians, who are not overly enthusiastic about the innocuous brews, have enjoyed the Daly-Collings summer feud amid an abundant supply of the honest-to-goodness product.

Sportsman CIGARETTES
LIGHT BEER
LIGHT BEER
Craven 'A' CIGARETTES
New with FILTER TIP
CRAVEN A

Grocers bought $25 memberships on the promise of beer for sale "within a year".

"Fill 'er up" in Moscow. Mr. Rea chats with woman attendant at a typical Russian service station.

W. Harold Rea

by Mary Lowrey Ross

WILLIAM HAROLD REA, 50, President of Canadian Oil Companies, Ltd., is soft-spoken and shy, and has come to be respected by associates and competitors alike for his startling honesty and self-effacing attitude. Strangely enough, these traits catapulted the ex-accountant into the glaring spotlight of nationwide publicity two years ago and since then he has been one of the most talked-about and most quoted men in Canadian management.

The object of all this fanfare was a speech Rea made at the President's Night dinner sponsored by the National Sales Executive Club in Toronto. Titled "Top Management Calls the Doctor", Rea's story concerned the president of a "medium size Canadian company" who called in an industrial psychologist to find the causes of lagging efficiency.

After elaborating on the test procedures applied to the president and his executives, he proceeded to explain that the president himself was found to be one of the principal causes of the inefficiency because of (1.) a definite tendency to be over-interested in details and reports, (2.) a lack of delegating authority and responsibility to his executives who were consequently becoming stagnant and frustrated, and (3.) great reluctance on his part to make a decision. Then Rea described how the company was re-organized and the period of painful self-adjustment for this anonymous president.

At the end of his twenty-minute address, Rea said, "Why is it I speak to you with so much conviction about these things? Perhaps you have already guessed that the company I was speaking about was my own company. The chief executive I have been talking about was your speaker tonight!"

For a man who so openly describes his own faults, Rea becomes evasive and taciturn about his abilities as an executive and prefers to laud his staff. But the company's annual report shows that since he took over as president sales figures have increased from $33 millions in 1949 to $76 millions last year and net profits are at an all-time high.

He is, however, extremely proud of the fact that 93% of the ownership of his company is held in Canada, and of the giant modernization and expansion program his company is now engaged in.

This healthy financial state is best reflected in the gleaming aluminum of the 100,000 sq. ft. Canadian Oil Building that Rea and his staff are moving into next month, and the new petro-chemical plant at the company's Sarnia refinery costing some $3 millions. This is all part of Rea's plan to build a fully integrated Canadian company with a reasonable balance between production, refining and marketing. And in his company report, the honest president warned competitors "we contemplate no let-up in the growth trend of Canadian Oil Companies".

Rea was born in Kincardine, Ont. His "over-interest" in details and reports showed up in schooldays as a natural aptitude for mathematics, which eventually led to a course in accountancy. After receiving his certificate five years later he was given a job as internal auditor with Canadian Oil Companies. Before long, he was promoted to the company's sales department where he continued to flourish.

The Rea temperament, while friendly, is not expansive, and his work consisted less in direct promotion than in detailed analysis of sales and salesmanship. Meanwhile he was learning the oil business, if not from the ground up, at least from the inside out. Three years later he was made personal assistant to the company's sales manager, and in 1942 he was appointed liaison officer between the armed services in Ottawa and the oil controller.

The new job, he was told, included close social contact with government and military officials in both Ottawa and Washington.

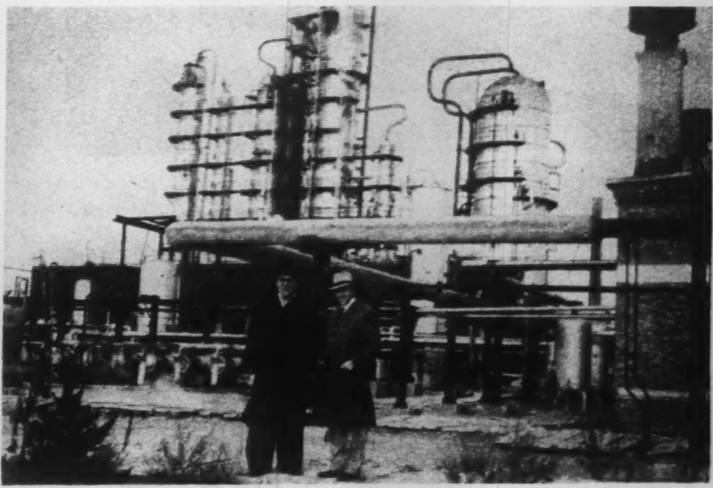
CONTINUED ON PAGE 43

"Find the causes of lagging efficiency."

Oil and Organization

With the help of modern psychology, a changed attitude towards administration, a stimulated staff and a more relaxed President who now has time to enjoy travel.

Inside the Kremlin grounds. In background Assembly Building and Uspensky Cathedral.



In Russia's new Ural-Volga oil fields. With the chief engineer of the Kuibeshev refinery.

Travel

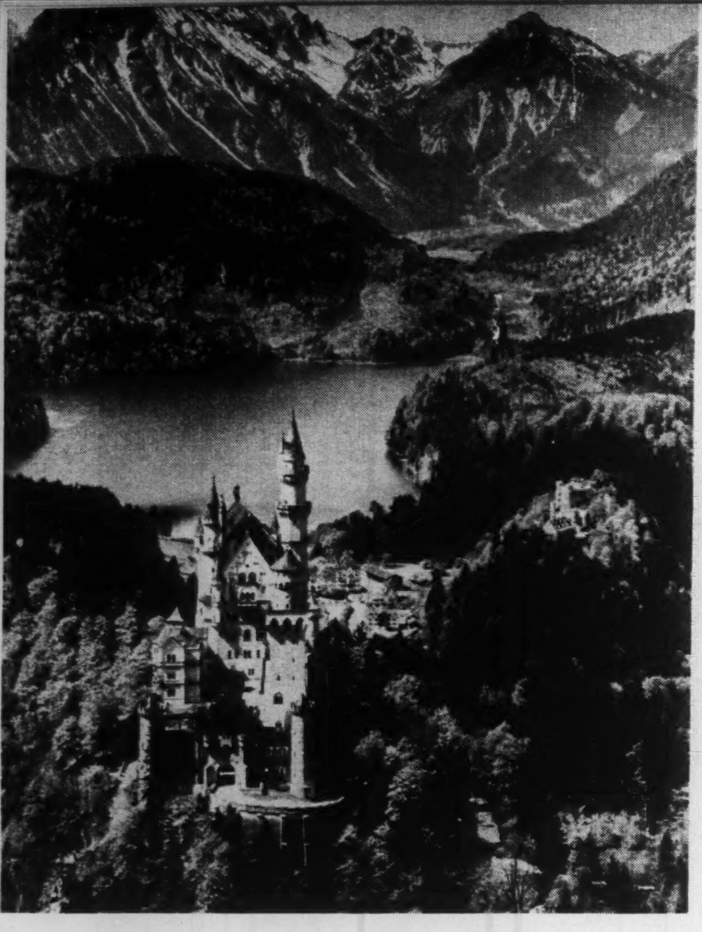
GERMANY:

A Land of Many Faces

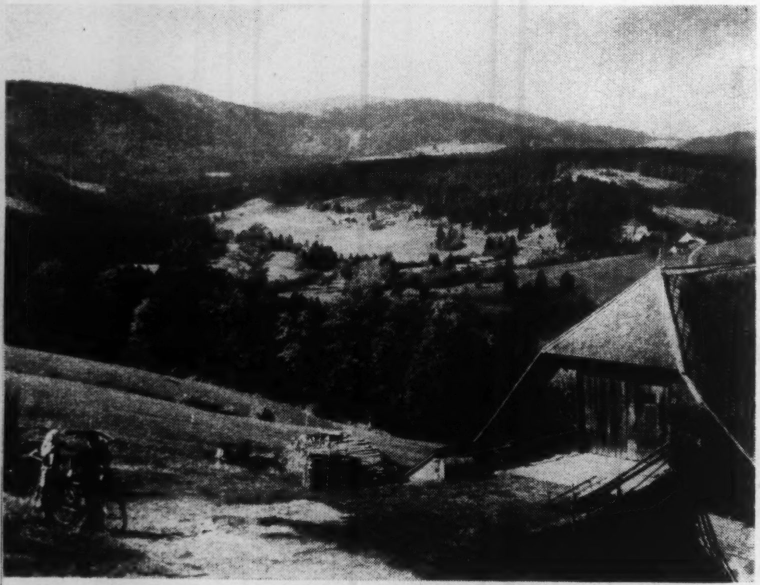
by Helmut Benecke

VISITORS HAILING FROM the four corners of the world again travel all over Germany—the Federal Republic, that is—in ever increasing numbers. Among them more and more Canadians. What do they find?

Turreted castles, still imperious even in ruin, crowning jagged cliffs above winding rivers, quite a few converted into comfortable hotels and inns; walled villages and towns with worn cobbled lanes; modern and lively centres with the look of tomorrow, rebuilt from scratch; venerable cathedrals and great churches of all periods and styles, their spires reaching through time and space (the world's tallest in Ulm); museums and art galleries galore; hotels and boarding houses for everyman's pocketbook, off the beaten track, for $2 up; 200 fine spas and health resorts, many already known to the Romans; countless camping sites and youth hostels; the unique chance of peering behind the Iron Curtain in safety, 93 miles within the Soviet Zone at Berlin, justifiably called Europe's most interesting city; and—the



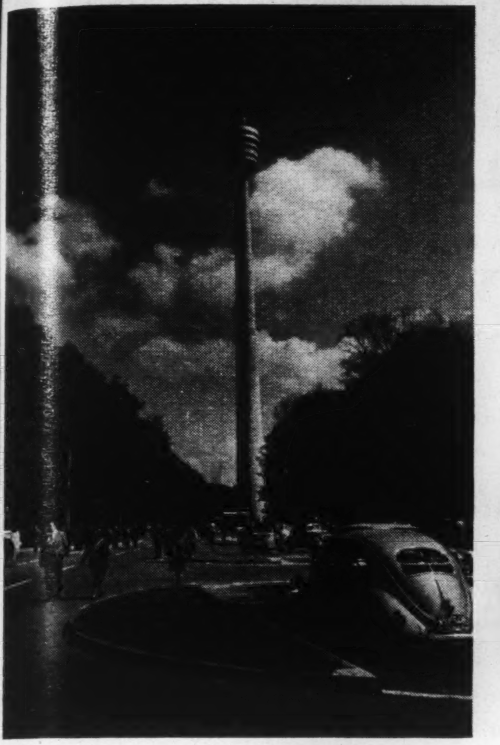
Neuschwanstein Castle, near Fuessen, is a dreamy place right out of a fairy tale. Right is Hohenschwangau Castle.



In the Black Forest the mailman goes about his job on a bicycle; at left, Mt. Feldberg, highest peak of the district.

The Beer Festival at Munich attracts six million yearly.

Modern buildings of Berlin's new Fashion Centre. At le ar



Stuttgart's latest attraction is a 692-foot TV tower with a 492-ft.-high restaurant.

Frankfurt has acquired modern look; past and present mingle everywhere.

The skyline of Cologne is dominated by Cathedral, 700-year-old masterpiece of Gothic architecture.

omnipresent heart-warming atmosphere of original "gemutlichkeit" . . .

Located in the heart of Europe, Germany enjoys a moderate climate lacking extremes, with relatively mild winters and average highs normally coming to about 70° F. Including (since January 1, 1957) the Saarland, she covers some 95,600 square miles, just one-fortieth of Canada's surface, housing 51 million people against Canada's 16.5. Bonn is the provisional capital with Berlin to take over as soon as feasible.

Direct air service to German airports is provided by Germany's own Lufthansa, a revived company of old established reputation (to Dusseldorf, Frankfurt and Hamburg); Trans-Canada Air Lines (to Dusseldorf); BOAC/BEA (via London); Air France (via Paris) and KLM (via Amsterdam). There are additional flights from New York, of course. Europe-Canada Line, Arosa Line and Greek Line have their ships call at Bremer-

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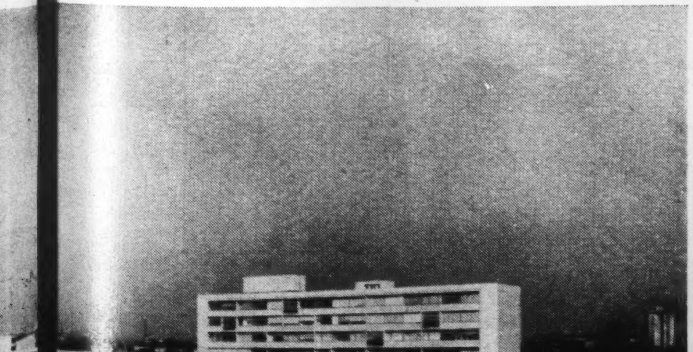
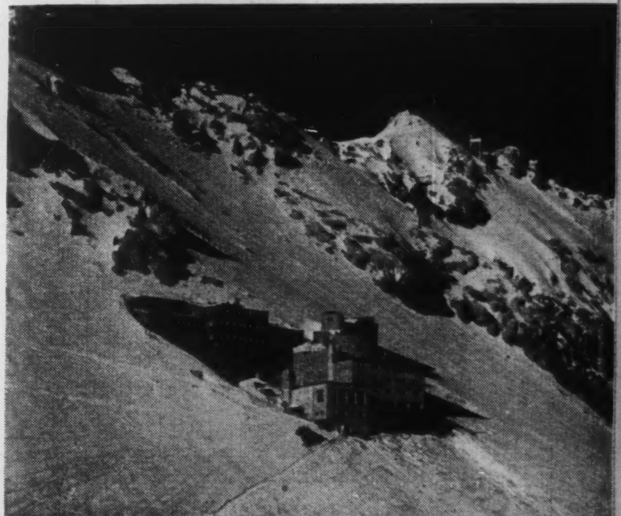
At le ar-damaged Kaiser Wilhelm Church will remain as ruin.





Below the Zugzpitze the Schneefernerhaus Hotel draws skiers from Oct. to May. View is breathtaking.

Independent Retailers Organize to Survive

by Jon W. Kieran

By placing co-operation above complete freedom merchants have built sales to $800 million yearly.

SOME 5,000 INDEPENDENT Canadian merchants have learned how to buck the giant retailing chains. The chains, in fact, have driven them to such progress and profits that many are competing on even terms or better with the once feared opposition.

The secret to this retailing reaction: it's possible to exchange a measure of freedom for strengthened independence and thereby add vitality to the small entrepreneur picture in Canada. These store owners are the syndicate, or voluntary group, merchants who have placed co-operation above complete freedom. By and large across the nation, they've emerged big winners in terms of independence — especially in the food and drug fields. And new fields are opening up as businesses and consumers both react against the North American mania for buying and selling through chains.

All told, the nation's major voluntary merchandising groups are selling an estimated $800 millions this year. Food retailing dominates the voluntary group picture

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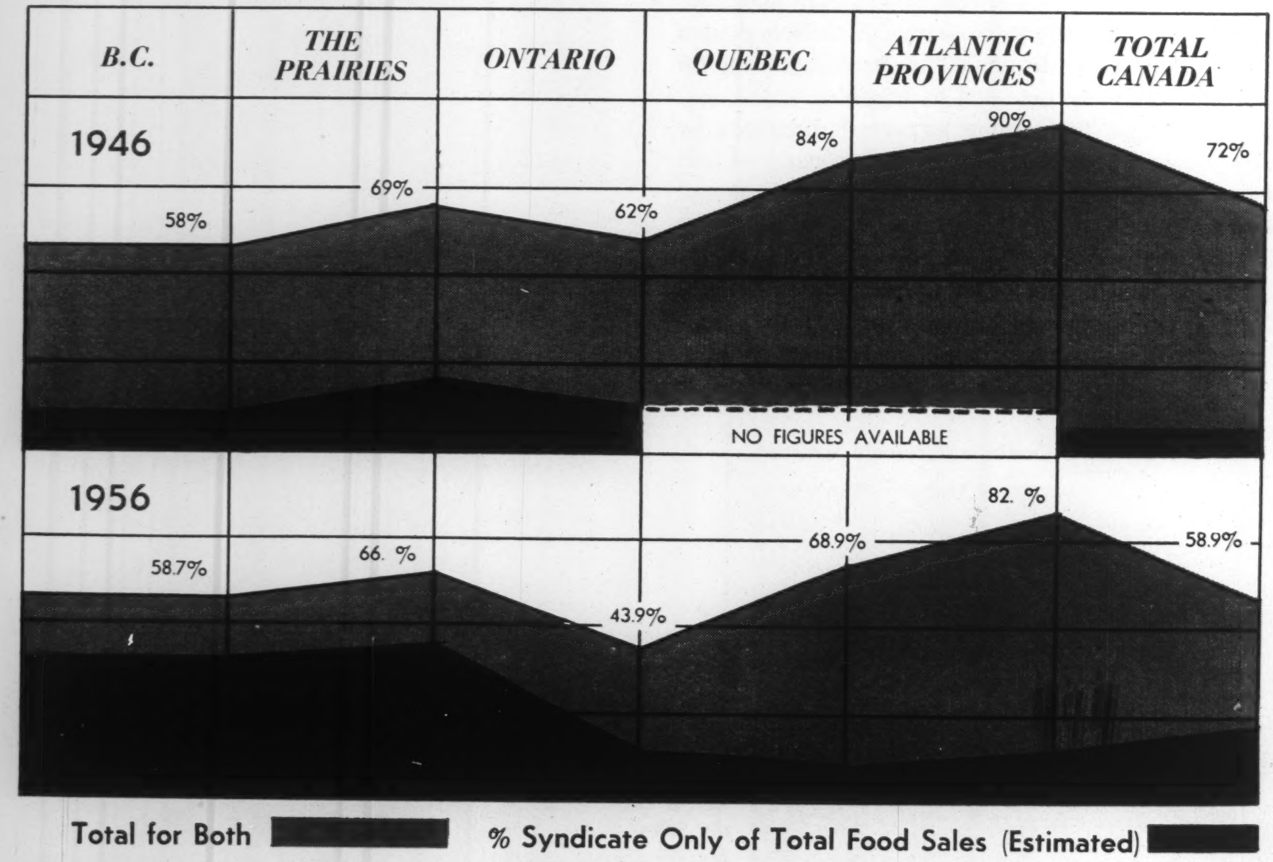
Independent and Syndicate Sales as % of all Food Sales



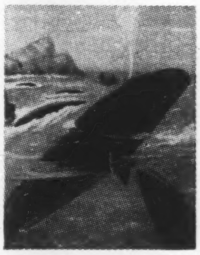
Independent and syndicate sales as percentage of all food sales.

Quiz

by Bergen Evans

On Some Fishy Tales

Is it true that the whale spouts a jet of water into the air from his blowhole?



"Blower"

NO. ALL THAT comes out of the whale is his breath, which may, of course, blow up water in which he is swimming.

Some artists who have perpetuated this popular misconception either out of naiveté or frivolity have even portrayed a few fish on top of the column of water. This is a fanciful way of indicating that the spout is composed of water, as Sir John Harrington depicted fish swimming in the bowl of his newly invented water closet, not because he wanted fish there but because he wanted the reader to be sure there was water.

Is it true that the octopus is even more dangerous to man than the shark?

"Chiller"

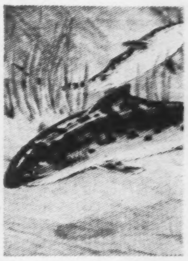
NO. THE SHARK isn't as dangerous as it is thought to be, and the octopus is a good deal less dangerous than the shark.

It is true that folklore has reserved for the octopus the chief position of horror among the denizens of the deep — thanks largely to Victor Hugo and the Sunday supplements.

The animal is, indeed, a daunting sight. Its boneless body, rhythmically inflating and deflating, the ceaseless waving of its fleshy tentacles with their sucking discs, and the cold stare of its lidless eyes are enough to chill the warmest courage.

But as far as human beings are concerned, it is one of the most harmless of living things. E. G. Boulenger, for many years Director of the aquarium at the London Zoo, says that the danger from an octopus is "more psychic than physical," and adds that the belief that its grasp is unbreakable is nonsense. "A firm grip need only be asserted on the creature's head and body," he adds, "to induce even a large specimen to at once relax its hold." Another zoologist, Professor S. R. Williams of Miami University, Oxford, Ohio, was even more emphatic: a farmer in a cornfield, he once averred, is in more danger of being attacked by a pumpkin than a swimmer is of being attacked by an octopus.

Is it true that the shark will not attack anything which it thinks is dead?



"All-eater"

AS THE MARITIME author, Frank T. Bullen, wrote to the *Daily Mail,* June 28, 1909, a shark will attack anything, dead or alive, that he imagines to be edible.

If the living thing makes a great deal of noise in the water, the shark, which is timid, will refrain from attacking. But the dead are his prey, for the shark is the greatest of all sea scavengers. Anyone who doubts this should see a hundred or so of them feasting on a dead whale or read Ernest Hemingway's graphic novel, *The Old Man and the Sea.*

Do whales really have such small throats that they could not possibly swallow a man?

"Swallower"

SOME DO and some don't. The assertion about small throats is an amusing example of a vulgar error propagated by village atheists to refute another vulgar error based on a misreading of the Bible.

The basic error is the assumption that the "great fish" which the Bible says God prepared to swallow Jonah was a whale. The Old Testament offers no support for this assumption. Yet in the rational attacks on the Bible, this poor sea creature, whatever its species, be-

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to
choose
from
at...

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A true specialty restaurant . . . For Fabulous Roast Beef, roasted, carved and served to your order.

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Strictly stag — is this all male haven for good drinks, good food and good talk. Plus sports events on TV.

TRANSIT BAR
For rapid service in the most unique bar in the country . . . decorated with an outstanding collection of miniature trains.

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Pause — in the relaxing, informal atmosphere of the gayly decorated Patio. It's a Cleveland habit to say — "Meet me at the Patio."

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Service is brisk and decor cheerful in the modern, air-conditioned coffee shop. Enjoy a tasty sandwich or a moderately priced meal.

Hotel Cleveland

The Secret is in the Blending

. . . a secret that gives "Black & White" its incomparable character, smoothness and flavor. Have Scotch at its very best by calling for "Black & White".

The Secret is in the Blending

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comes the object of particular derision from wiseacres who plainly did not know a minnow from a midrash, and one of the most triumphant — and common — refutations of orthodoxy was to insist that a whale could not have swallowed Jonah because whales have too narrow throats.

But the retreat was too hasty. A little investigation would have enabled the true believers to hold out: many whales have throats quite large enough to swallow a man, whether he be prophet, priest, or wiseacre.

Is there such a thing as a man-eating shark?

"Man-eater?"

THE EVIDENCE is too fragmentary and inconclusive for judgment either way to be anything but rash.

However, it will probably come as a surprise to many to learn that actual, authentic cases of men being attacked by sharks are very rare. The United States Navy Bureau of Aeronautics in March 1944 issued to its fliers a pamphlet entitled "Shark Sense" in which it is stated that "there is practically no danger that an unwounded man floating in a life jacket will be attacked by a shark."

Of the several hundred varieties of sharks only half a dozen have the denture necessary for man-eating, and of these not all have the disposition. Of those that have, few get the opportunity, and of those, few make the most of it.

Is it true that whales are really fish, and therefore that readers of the Bible have some justification for identifying the great fish of Jonah as a whale?

"Breather"

NO. AS JOHN TIMBS pointed out a century ago in *Popular Errors,* whales are not fish but mammals.

Although they make their home entirely in the water, they have several features in common with the larger quadrupeds. They nurse their young, which they produce alive. Their skin is smooth and without scales. Their blood is warm, and their flesh tastes rather like coarse beef. They have lungs by which to breathe, and, since they can't separate air from water, as fishes do by means of gills, they must come to the surface in order to breathe.

Chess

by D. M. LeDain

"Do YOU PLAY chess, Your Majesty?" asked the escorting chairman of the St. Pancras Working Men's Club, when Queen Elizabeth stopped to watch two men playing, while on a visit to the Club. "Yes", she replied, "but I am always losing. I have learnt my chess the hard way."

Her great predecessors, Queen Victoria and Queen Elizabeth I, both played. Many fine sets are to be found in the various Royal households.

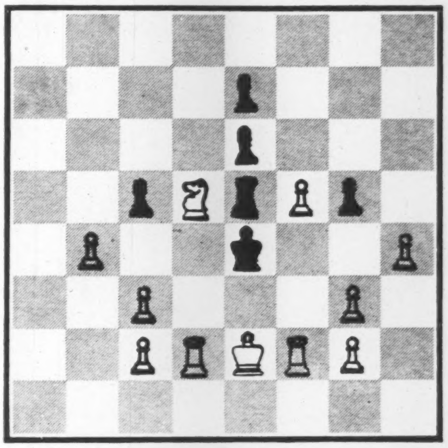
Recently the Queen honored the Commonwealth chess community by conferring a CBE on C. H. O'D. Alexander, British master of Irish origin.

White: C. H. Alexander, Black: E. Cordingley (Surrey, 1947)
1.P-Q4, Kt-KB3; 2.P-QB4, P-K3; 3.Kt-KB3, P-QKt3; 4.P-KKt3, B-Kt2; 5.B-Kt2, P-B4; 6.P-Q5, PxP; 7.Kt-R4, P-Q3; 8.Kt-QB3, Q-Q2; 9.KtxP, KtxKt; 10.BxKt, B-K2; 11.Kt-B5! Castles; 12.BxB! QxB; 13.Q-Q5!! Resigns.

Problem No. 177 won a prize for a task problem depicting a crown.

Solution of Problem No. 176 (Kubbel). Key, 1. Kt-K7.

Problem No. 177, by G. Heathcote. White mates in two. (11+6)



Puzzler

by J. A. H. Hunter

BILL WAS too much absorbed in his work to greet his visitor right away. "Trying to smarten up this old table," he said, carefully placing a square tile on the cemented surface. "It's an idea Helen got from some magazine."

Sam watched critically for a few minutes and then jotted down some figures on a scrap of paper. "Don't you think smaller tiles would look better?" he suggested. "If they were three-quarters of an inch less each way, I figure you'd need two hundred and fifty more to cover the top but it would be well worth it."

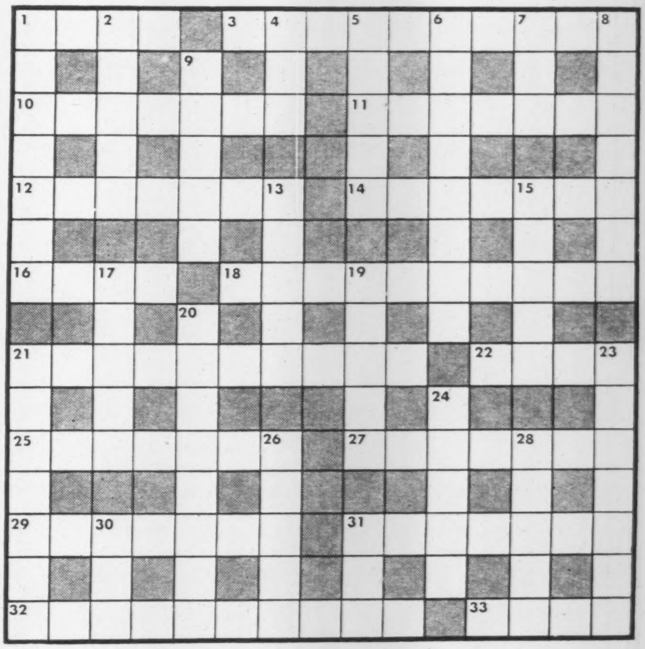
Bill looked up, shaking his head. "Not possible with this sort of tile," he told his friend. "They only come in exact inches."

So that was that! And anyway it would have meant a lot of extra work. But what size tiles was Bill using? (59)

Answer on Page 44.

Blow Your Brains Out

by Louis and Dorothy Crerar



ACROSS

1 It's not what people should do but what they . . . that gets the bird. (4)
3 Does it light up the countenance, despite a long face? (7, 3)
10, 32. Sent to bed without supper in Ottawa? (7, 10)
11 Whale's cry? (7)
12 Masterpieces? Not a bit! (7)
14 Increase in value. Hence an alteration. (7)
16 Eats to satisfy. (4)
18 Young bears? On the contrary. (10)
21 Certainly not meat for one who eats humble pie. (5, 5)
22 Look like a peer. (4)
25 As a rule their term of office depends upon the age of sovereigns. (7)
27 See 31D.
29 Turn tail to take 30 up. (7)
31 They make airs with the aid of gut. (7)
32 See 10.
33 It spreads a disturbance in the four corners of the earth. (4)

DOWN

1 How the Arab silently steals away. (7)
2 Only such people would break Spode. (5)
4, 9. Yet we have never seen the cast of "H.M.S. Pinafore" so perplexed. (3, 2, 3)
5 It could take medium strength to lift it. (5)
6 Tough time digesting this? (8)
7 Biblical work, no doubt. (3)
8 Some watch the game while others are at church. (7)
9 See 4.
13 This horse is 50 per cent so reliable. (5)
15 Inter in salt. (5)
17 Thing a . . . of thickthpenth. (5)
19 This might make a model puzzle. (5)
20 Did a nose need to be made over after the operation? (8)
21 Vegetable a cut under the average. (7)
23 This steed should know all about horse flies. (7)
24 Would have made a perfect slow movement for the "Carnival of the Animals". (5)
26 This city's extermination policy was the forerunner of McCarthyism. (5)
28 A pirate might become so when guillotined. (5)
30 We've made one in clue 31, 27. (3)
31, 27. It's illegal! Gat going, fast! (3, 7)

Solution to last puzzle

ACROSS

1 Feet
4 See 4D
7 Duty
9 Rhetoric
10 Poetic
11 Ache
12 Shaving mug
13 Closeted
15 Eyries
16 Tandem
19 Historic
22 Chatterton
24 Etch
25 Armada
26 Inviting
27 Hymn
28 Elder
29 Shed

DOWN

2 Ethical
3 Tatters
4, 4A. Wordsworth
5 Richard the Third
6 Happiness
7 Dredger
8 Tribute
14 Temperate
17 Ashtray
18 Detrain
20 Orestes
21 Incense
23 Never (426)

The Lively Arts

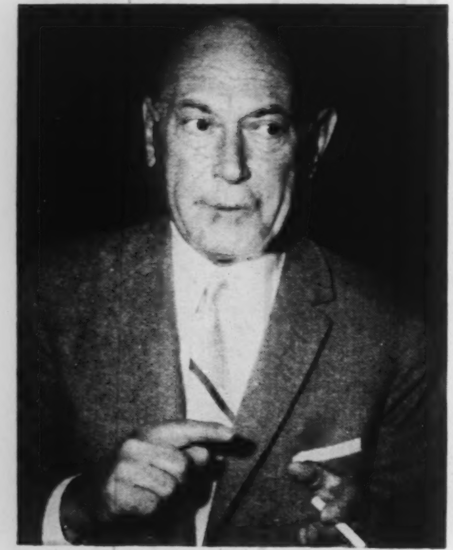
by Mary Lowrey Ross

Youth and Age on TV

THERE MUST BE TIMES when a television writer feels a little like the circus midget who has been put in charge of watering the elephants. No matter how hard he toils, he can never get ahead of the staggering capacity of his medium. Day after day, it swallows up everything he can produce, so that his job becomes simply a routine of replenishment, interminable and hopeless.

Screen and radio have already plundered the world's fiction for plots and ideas; so the best the television dramatist can do is to work up third-hand copies of second versions of often dubious originals. The results are nearly always so dull and meagre that it isn't much wonder we return to the movies, where poverty of imagination is at least disguised by prodigalities of production.

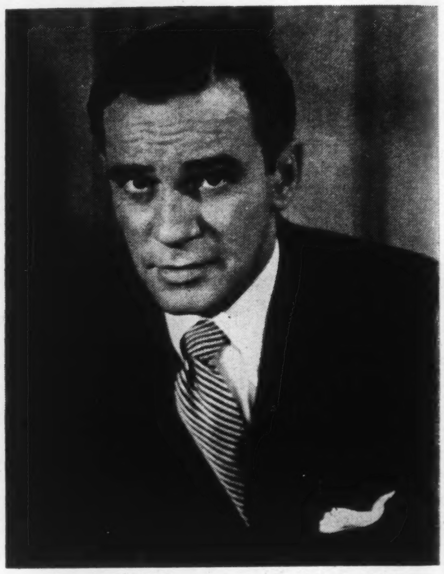
As yet, television has scarcely begun to develop its own possibilities as a dramatic medium. It arrived suddenly and universally, and in the headlong scramble for home entertainment, it had to piece together, as best it could, the old discarded situations and ideas provided by radio and screen. Along with these it took on, unquestioningly, the screen's tendency to ignore or distort ordinary human behavior. Its children are screen or radio children, its old people are, for the most part, comics. There is no middle-age, there is only youth, extended and extended, till suddenly it becomes "character" acting, or antic senility.



Boris Morros: Lives of a cat.

This state of things appears to be peculiar to this continent. In British and foreign films, children behave like children, living in a child's universe and ignoring the world of adults. In American films however, they are nearly always presented as precocious little adults or sad little martyrs, the victims of parental neglect. The latter theme, which has always been a favorite one in American fiction, goes back all the way to the story of Elsie Dinsmore and her awful Papa; and I was interested in seeing it turn up recently in an hour-long television drama called "Sing a Song". In this case, the forlorn little heroine, (Patty McCormack) is able to persuade her delinquent father, a popular singer (Jean Pierre Aumont) to give up the chance of filling a million dollar contract so that he can attend with her a Father-Daughter banquet. This seemed a reasonable demand to the little heroine, and presumably to millions of televiewing parents, hagridden as they are by the demands of modern child psychology. It struck me as peculiarly unreal, even for a picture featuring a child star. In fact I found little Miss McCormack a good deal more convincing in "The Bad Seed," when she played the role of the wicked little girl who tried to burn down the janitor.

If the screen is arbitrary in dealing with children, it is even more fanciful in its approach to old age. All the old ladies in the movies (and consequently on television) are pixillated, and all the old gentlemen are Foxy Grandpas. Nonogenarians totter about both the big and little screens in an endless *danse macabre*. Refined old ladies spike their admirers' drinks with arsenic, they are pugnacious in dealing with gangsters, whose lingo they handle with ease, and they totter off to bed with hot water bottles filled with whiskey. Most film and television writers adopt this comic approach to senility, and Director Alfred Hitchcock is particularly addicted to it. In one of his recent half-hour television dramas the heroine was an elderly lady who made a hobby of holding funerals for which there was no corpse. She was a relatively harmless type, however. Most of Hitchcock's old ladies are only too eager to provide the corpse.

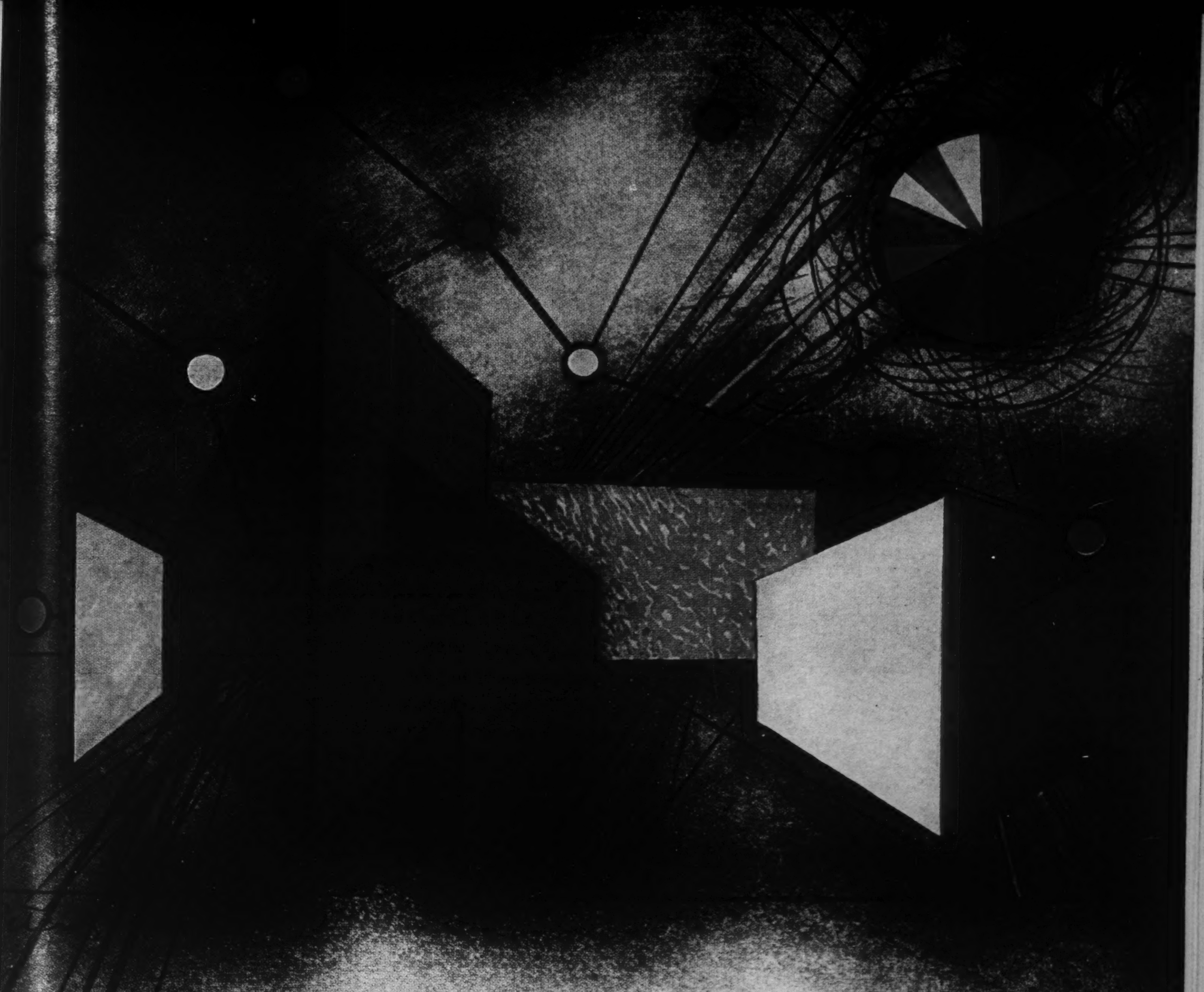


Richard Carlson: Duck, duck!

No one on television lives in deadlier peril than Herb Philbrick (Richard Carlson) in "I Lived Three Lives," and no one understands this better or indicates it more clearly than Agent Philbrick. "Pull yourself together Philbrick," he mutters at intervals, "Watch that guy in the black limousine" . . ."Hang on to the briefcase, Philbrick, Comrade Zack is getting suspicious" . . . "Duck, Philbrick, duck!" As each crisis arises Philbrick's ingenuous face reveals every shade of his excitement and alarm. Obviously Agent Philbrick wouldn't be able to fool a bright three-year-old in a game of Hide-the-Button. Yet he continues, year after year, to baffle enemy agents, expose the ringleaders and deliver the incriminating microfilm to the FBI.

It was interesting therefore, to watch an actual counter-espionage agent, the now famous Boris Morros, as he appeared recently on "Face the Nation". Counter agent Morros, an elderly man with a seamed, impenetrable face, sat planted firmly before the group of interviewers, carefully revolving each question as it was put, ("Watch out, Boris Morros"), courteously answering each in turn, and scrupulously revealing nothing whatever. An unshakeable and mysterious character, he had obviously lived as many lives as a cat in his curious profession, and had needed every one of them. It was a memorable performance and it left one wondering why television writers exhaust themselves in contriving character when the human material is right under their noses.

And now, with the darker evenings closing in, viewers may settle down to examine the bright, brave promise of the CBC that "new formats must be introduced."



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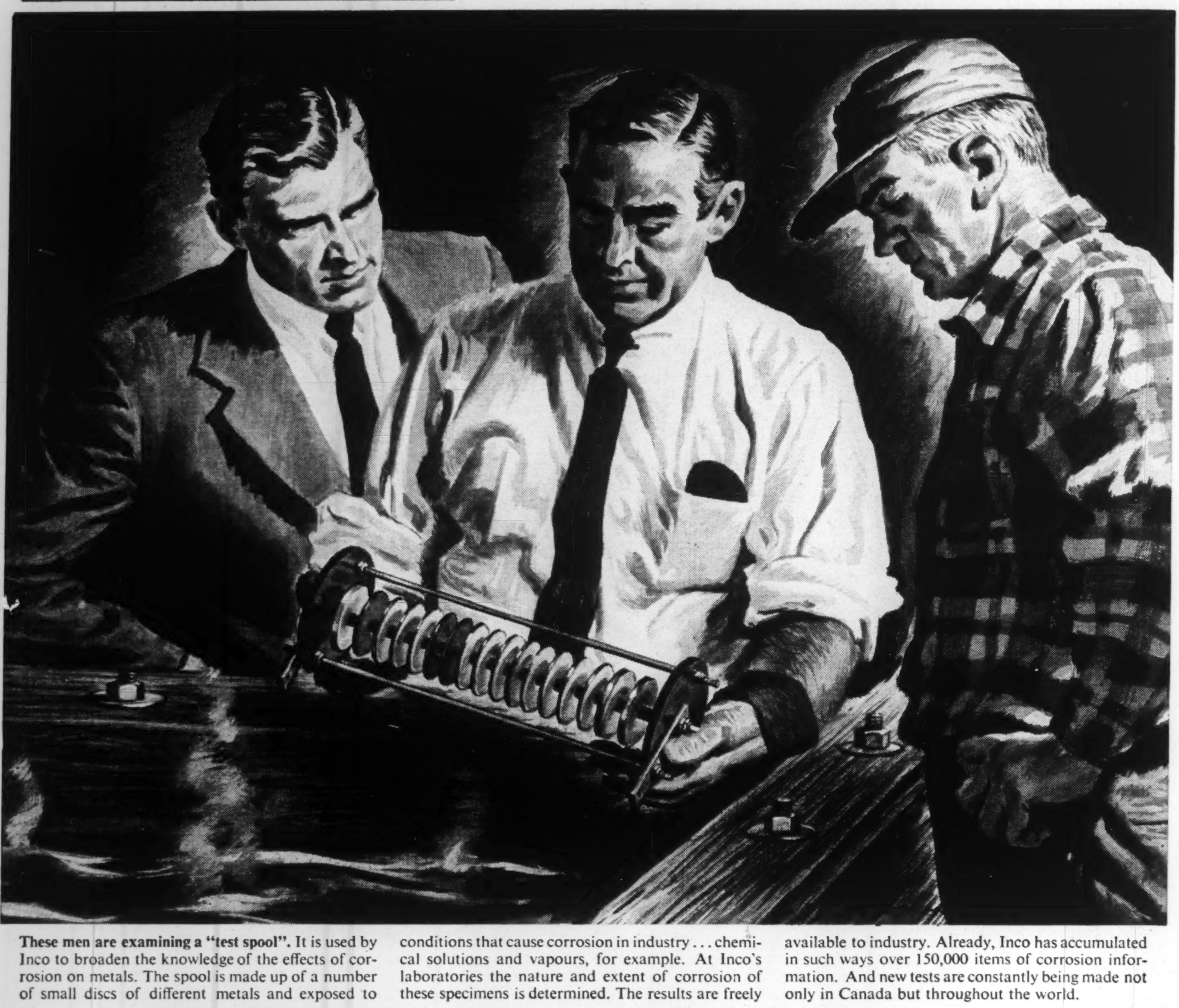

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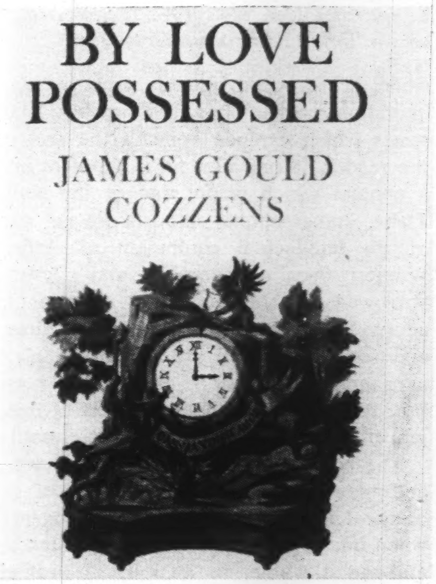
Books

by Robertson Davies

Back to Maturity?

The danger of the romantic attitude is that in second-rate minds it becomes sentimentality; of the classic attitude that in degeneration it becomes sourly ironic.

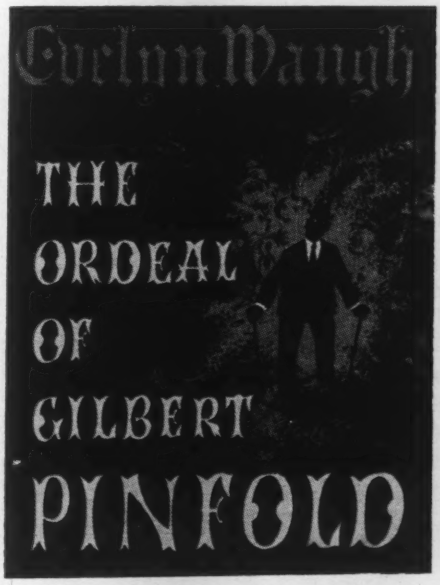


Jacket Design

IS AMERICAN FICTION turning its gaze once again toward that goal of maturity which was its aim (and sometimes its achievement) during the nineteenth century? Certainly the critical acclaim which has greeted the publication of James Gould Cozzens' novel *By Love Possessed* suggests this. For the past forty years American fiction has been strongly romantic in feeling; sometimes it was the romance of the Tough Guy, as with Hemingway and the many who imitated him; sometimes it was the romance of nervous exacerbation, as with F. Scott Fitzgerald; sometimes it was romance turned inside out, as with Sinclair Lewis. Often this romantic fiction, as with the three authors named, was of remarkable quality, for romance is a valid and sometimes noble attitude toward life and mankind. The yearnings toward perfection, and the disillusion with life as it is, which mark romance, were everywhere to be seen. But Cozzens is no romantic, and several able American critics have hailed him as the best of their living writers. Does this, as the current jargon is, mark a trend?

Cozzens' attitude toward life, which is evident at all points in his remarkable novel, is the one to which the tag 'classic' is usually applied; I think it an unfortunate description, for it suggests a superiority to the romantic attitude, and in this realm no such superiority can be admitted. The classic attitude makes maturity its goal, rather than youth; it measures a man by his achievement rather than his intention; its courage shows itself in stoicism rather than a noble defiance of misfortune. The danger of the romantic attitude is that in second-rate minds it becomes sentimentality: the danger of the classic attitude is that in degeneration it becomes hard-hearted and sourly ironic.

Cozzens does not shrink from declaring himself; his openness is indeed classic, and contrasts with the romantic's love of intellectual fancy-dress. His chief character in *By Love Possessed* says: "Yes; the spirit of the age! We're in an age preeminently of capital F Feeling—a century of the gulp, the lump in the throat, the good cry. We can't be said to have invented sentimentality; but in other ages sentimentality seems to have been mostly peripheral, a despised pleasure of the underwitted. We've made sentimentality of the respected essence . . . In much of what I'm told is our most seriously regarded contemporary literature I find it, scarcely disguised, standing in puddles".



Jacket Design

Well, are we due for a spell of neo-classicism? It would be a change, certainly. It would offer us more mature heroes, and a relief from the mawkish pity which has been lavished on the crazy, mixed-up kids of all ages. But classicism is no harder to fake than romanticism, and if we are to have a classic spell, we must expect some chilly-hearted and tendentious nonsense with it.

Cozzens' novel tells of forty-nine hours in the life of a lawyer in his early fifties, named Arthur Winner, who lives in a community somewhere in the North-East of the U.S.A., and whose background is moneyed, Episcopalian and Jeffersonian—aristocratic. In those forty-nine hours he gets a rigorous mental and moral stripping, from which he emerges still an admirable man, but one greatly advanced in self-knowledge. The book is not the easiest reading, and for the first hundred pages I found it dull going, but after that it proceeded in a masterly, heavyweight fashion which held me a willing prisoner.

Classic in attitude, the book has no classical limpidity of prose; it is tangled and knotty and sometimes wilfully complex and ugly. The characters talk too much, not because they have nothing to say, but because they say it in a roundabout, repetitive fashion and they tend to talk with one vocabulary. But because the book is the carefully wrought creation of a man of mature and individual intellect it rises above these faults and reaches an admirable level of intensity and interest.

The book has one serious fault of style which is worth special mention, because it appears to be growing commoner, and because it is often found in writers whose attitude toward life is classic. Cozzens cannot rise to eloquence himself, and so he ornaments his book with the eloquence of other men. His book is full of quotations, the majority from Shakespeare,

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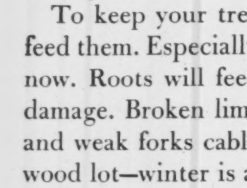

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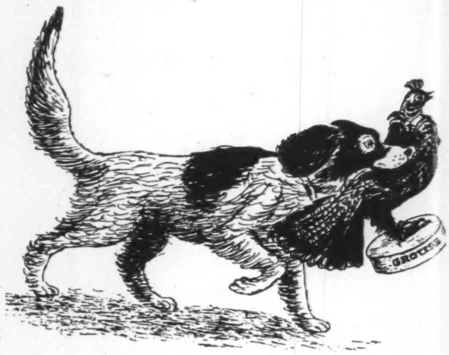

"Mutt": From the jacket

which are dropped into his prose without quotation marks. Thus they are like landmines which explode beneath the feet of the reader, jolting him for a moment into a context which is not that of the book. These Shakespearean snippets are not part of the intellectual equipment of Arthur Winner; they are another man's jewels, borrowed by James Gould Cozzens to adorn his own sombre intellectual dress, and sometimes they are as out of place as sapphire fly-buttons on a blue serge suit. Aldous Huxley does this sort of thing gracefully; Mr. Cozzens does it clumsily.

The book contains no crumb of humor, and here is another characteristic of the classical attitude; it is always a tendency, when one is determined to see life steadily and see it whole, to miss its absurdities, or to chew them solemnly down into little pellets of irony, which are then spat disdainfully at the reader. Classicism has an undignified affinity with heartburn.

Despite these strictures, *By Love Possessed* is a novel to be reckoned with, and I recommend it heartily. Classicism is not quite such a novelty to us in Canada (because we have always had a stream of it from England) as it is to our friends in the U.S.A., who seem to have lost their heads over this book. But it is refreshing to read about a mature man, as exposed by a mature mind.

Evelyn Waugh is one of the writers who have kept the Roman lamp of classicism alight in England, and his latest book, *The Ordeal of Gilbert Pinfold* has his full classical manner, exercised upon a theme which is much below his best. Briefly, Gilbert Pinfold is an author very like Mr. Waugh, who doses himself with sleeping-draughts and booze until he becomes the victim of hallucinations. He goes on a sea-voyage for his health, and is persecuted by imaginary hobgoblins. Somehow the book never finds its wings.

The character of Pinfold himself is at fault. Plainly Waugh means it for a self-portrait, but he has the problem of many sensitive men who set out to depict themselves—he is too modest to put in the good features. Thus Pinfold emerges as a disagreeable, touchy man of middle-age, who is well on his way to being a curmudgeon. His attitude toward life is classic, as is that of Arthur Winner: there is a chill on all his personal relationships, except that with his wife, and of this we are told nothing—indeed we are excluded from it. He is more ready to rebuke than to embrace; he is a little too suspicious that the world will take advantage of him. He is sharp in his judgment of everyone, including himself. We cannot much like Pinfold, and therefore we do not much care what happens to him.

That tireless tattle-tale, *Time* magazine, informs us that Mr. Cozzens is an admirer of Mr. Waugh. It would be interesting to get them together on a public platform to debate about Roman Catholicism, for Mr. Waugh is a convinced Catholic, and Mr. Cozzens regards Catholicism as un-classic and those who profess it as by definition immature. Mr. Waugh, we may be sure, would put up a good fight for the case that Catholicism, being all-inclusive, includes classicism, and is indeed itself secure upon a classic base. Both men, in such a debate, would undoubtedly reveal an acerbity which would delight the romantics, the sentimentalists, and such intellectual weather-vanes as the present reviewer. And both would be likely to show that, fine as classicism is as a theory, it is quite as delusive and treacherous a ground for the artist as romanticism can ever be.

By Love Possessed, by James Gould Cozzens—pp. 570—*Longmans Green—$5.75.*

The Ordeal Of Gilbert Pinfold, by Evelyn Waugh—pp. 184—*Ryerson—$2.50.*

Dog of Genius

The Dog Who Wouldn't Be, by Farley Mowat—pp. 238—drawings by Paul Galdone—*Little, Brown—$3.95.*

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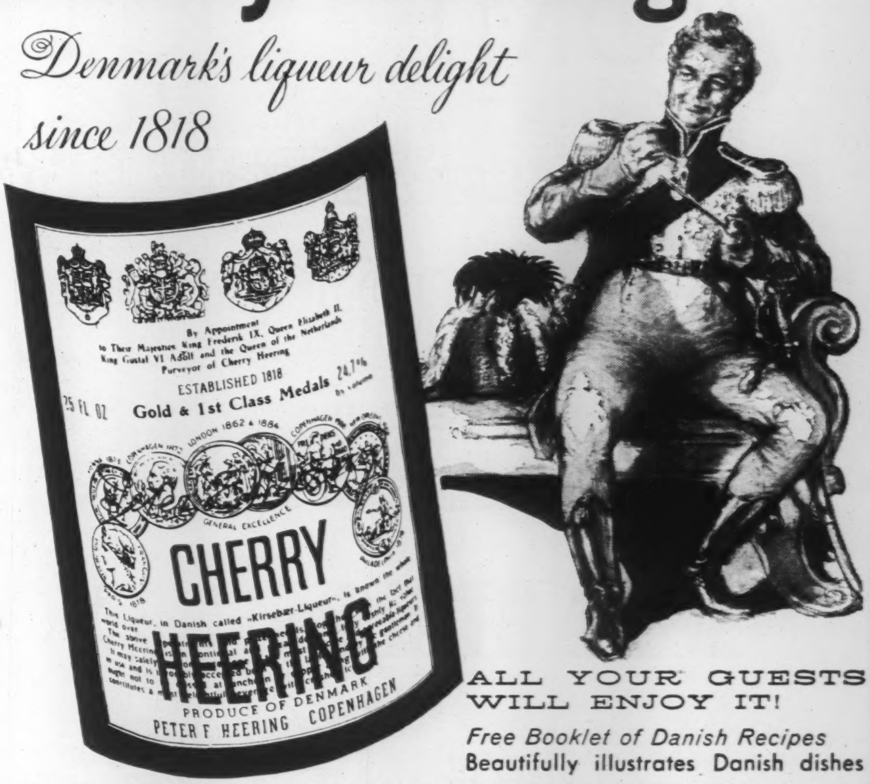

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in Saskatoon, where two primary influences on his life were his irascible father, and his richly gifted dog, Mutt. Mutt was purchased as a puppy, for four cents; he grew up to be a dog of powerful personality, strong opinions, charm and rare talents; he was a fine though opinionated, retriever, a tree climber, a fence-walker and capable of running up —and down—ladders. The elder Mowat seems to have been cast in the familiar irascible father mould, but Mutt is a great original, and his former owner describes him with love and respect which never drops to sentimentality.

Readers of all sorts will enjoy this admirable book, and it is particularly recommended for the young. Already, in *Lost in the Barrens,* Farley Mowat has shown himself a writer for the young of brilliant gifts, and this book confirms his reputation. Recommended. S.M.

New Puritans

The Decline and Fall of Sex, by Robert Elliot Fitch—pp. 114—*Longmans Green —$3.50.*

THE THESIS of this book is that we have passed from a period of sexual laxity and indulgence extending from the end of the First World War, and now entering a more sober and possibly puritanical era. People are tired of lurid sexuality, says this Congregationalist minister, and are turning toward chastity and monogamy. He supports this belief by quoting freely from modern American literature, in which realm he has a masterly grasp of the obvious and the second-rate. His attempt to bend Shakespeare to his purpose deserves a place in any anthology of critical aberration. Conventional morality deserves a better apologist than Mr. Fitch. B. E. N.

Empty People

Thomas Wolfe's Characters, by Floyd C. Watkins—pp. 184 & index, illustrated—*Burns & MacEachern—$5.00.*

DR. WATKINS is an assistant professor of English in Emory University, Georgia, who had made it his task to identify every possible character in the work of the late Thomas Wolfe which might have had an original. His industry commands our respect and his book will be of value to people who make a cult of Wolfe.

For the general reader who admires Wolfe, however, the book may prove dispiriting, for only in a few cases do these identifications illuminate anything that Wolfe wrote. The people here tracked down and identified are rarely of interest; it is what Wolfe did with them that matters. Being told how the conjuror does it cannot increase our enjoyment; it is the magic which gives pleasure. The magic remains with Wolfe. S.M.

Canada's Communists

CONTINUED FROM PAGE 11

strong in him. "This is a period of re-examining, of re-evaluating old political values," he said. "I spend my time reading, writing, and thinking. I am, for the first time in my life, a member of no political party. How does it feel?" He sighed. "Sometimes, it feels good. Other times, I feel strongly the lack of a Canadian journal, like the *New Republic*, where I can express myself on left-wing politics. A person in my position gets in the habit of group-preaching."

Actually, Salsberg has done a bit of preaching to the nameless group of insurgents who left the LPP with him. "A select group of 30 to 40 of us did have at least two get-togethers," he conceded. "Our meeting was in a private home. Another was at the Prince George Hotel. This fall, we may put out our own publication. It's no sinister 'Fifth Column' movement. We just want to do soul-searching in our own Marxist way, without indulging in polemics against the LPP."

He broke off reflectively. "Imagine, the LPP old-guard calling *me*—Joe Salsberg—a 'Social Fascist'!" He laughed. "Dogmatism was always one of the terrible hobgoblins of the Canadian Communist Party. Yet I didn't realize how dogmatic, until now—after all these years, since my early youth, of dedication to the cause of the working class."

Salsberg first became aware he was a member of the "working class" at 13 when he was paid $3 a week in a Toronto leather goods factory. He had then been in Canada four years, one of seven children brought over from Lagov, Poland, by his devoutly orthodox father, Abraham, a poor junk dealer. Today, Salsberg looks back on those sweatshop days with a certain grim gaiety.

Later, while working as a $48-a-week cutter for the Cooper Cap Co., on Spadina Avenue, Salsberg was a model of ambition. Determined to be a rabbi, he would rise at 6 a.m., and study his *Talmud* for one hour each morning at the synagogue. On the wall beside his cutter's bench at work, he pasted a list of 20 Latin words each day, and memorized them as preparation for his entrance exams.

He was accepted by the rabbinical college in New York, but gave it all up to become a radical Socialist. For a period, he edited the magazine of the left-wing Poale-Zionist youth movement. He was Canadian organizer for the Capmakers and Millinery Union, but was expelled for opposing the trade union's sanction of piece-work. He wryly recalls old Joe Zucker, head of the union, sobbing publicly to the members, "My protégé, Joe Salsberg, was to have taken over from me. Now, Joe's turned Comm-*oo*-nist!"

Ironically, when Salsberg joined the Canadian Communist Party in 1927, its membership was the same as its present truncated total—3,000. Jack McDonald was then head of the Party, and Tim Buck was in charge of trade union propagandizing.

Salsberg won his first election in 1938, as Communist member of Toronto City Council. In 1943, he was first elected Communist MPP in the Ontario Legislature. When the Communist Party was banned a year later, Salsberg simply adopted the LPP tag. He took his cue from Tim Buck.

Salsberg remained undefeated until 1955, when Progressive Conservative Alderman Allan Grossman won his seat by 600 votes.

Salsberg's disenchantment with Communism had set in long before—as long ago as 1939, when Jewish culture in the Soviet Union seemed to be shrivelling up. He went to Moscow that year, but even sessions with Georgi Dimitrov, head of the International, failed to ease Salsberg's misgivings.

Because of his heretic questioning, Salsberg was removed from the LPP's Secretariat and National Executive Committee. Still, he side-stepped the issue of Stalin's anti-Semitism in his speeches, and he now admits he should have spoken up publicly about his doubts.

In 1955, Salsberg was allowed to take a trip to Moscow, which confirmed his suspicions that anti-Semitism was rife in the Soviet Union. On his return, he made a report to the LPP hierarchy. But he was scoffed at, "Either you've been misled, or you're off your rocker."

A year later, Salsberg made another trip to Moscow. He was part of a delegation including Tim Buck, Leslie Morris, and William Kardash, the Party's one remaining MPP, in the Manitoba Legislature. They had a two-hour meeting with Nikita Khrushchev. The dictator agreed that Stalin had been anti-Semitic; but Khrushchev's own daughter-in-law was Jewish, so how could Khrushchev be called anti-Semitic? Nevertheless, Salsberg was not satisfied with Khrushchev's refusal to allow separate Jewish schools; his explanation of why the personal documents of Jewish citizens must be marked with a discriminatory *"Yevrei"* ("Jew"); or for the "brutal complete extinction" of Jewish culture. At the end of the discussion, Salsberg thought it smacked of "Great-Russian chauvinism".

When the LPP'ers returned to Canada, Salsberg issued one report; the rest of the delegation issued an entirely conflicting version of events. A meeting of the LPP's inner circle was called. Salsberg declared that the LPP, on the basis of its "blind subservience" to the Kremlin, should "achieve a new, independent Socialist regrouping in Canada"—that is, form a new Communist Party.

Salsberg now says, with a laugh, "All hell broke loose after my speech. The die-hards labelled it 'liquidationism'. They called me, 'a betrayer of the Party', and cried out, 'Root out the heretic!' "

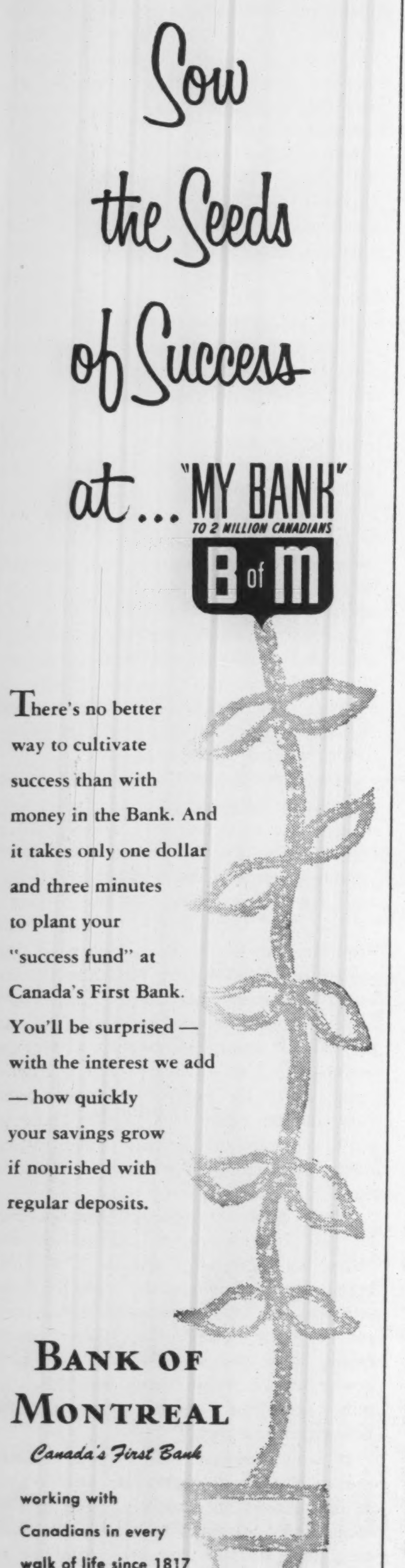
What will be the future of Canada's Communist Party? Only a few weeks ago, at the last closed meeting of the LPP's 52-member National Executive, Tim Buck, cracking the Moscow whip, purged two more dissident veteran leaders, Charles Sims and Norman Penner; another executive member, Edna Ryerson, stood up and dared to denounce Buck's handling of the Salsberg squabble.

Salsberg himself predicts. "There will be more withdrawals from the ranks. The Party will further narrow its base, and become more like a tiny sect. I hold no personal animosity toward Tim Buck. I'm still a Marxist, and I fight him on concepts only. But his Party will continue to isolate itself from the Canadian masses, as long as Tim proclaims, 'What is good enough for the Central Committee of the CPSU is good enough for me'."

Even while ex-LPP insurgents are gathering about Salsberg, still other rebel left-wingers are collecting in a splinter group behind Harry Fistell. Former $35-a-week executive editor of the *Canadian Tribune*, who had been with the LPP for 23 years, 38-year-old, impoverished Fistell was drummed out of the Party two years ago as, absurdly, a "tool of Wall Street". He asked too many questions. Fistell now owns a Toronto record store, and he and his ex-LPP insurgents publish a Marxist newspaper, *The Advocate—For a Democratic Left.* He bitterly denounces Salsberg and his cohorts as "shoddy bureaucrats, reluctant to lose their globe-trotting jobs, who indulge in Orwell's 'double think'."

While Salsberg dismisses Marxist Fistell as "too doctrinaire", Fistell snorts. "How can Salsberg criticize the LPP bureaucrats so righteously, when he himself was one of those tin-pot bureaucrats for so many years? The Salsberg-Smith clique have the seeds of the old LPP power-hunger within them, and they can only reproduce another corrupt LPP newspaper and party."

It would appear that Canada's Communist Party will degenerate into a kind of minor debating society. It will be surrounded by renegade apostates, like Salsberg and Fistell, who will continue to lecture against the temple from the sidelines, in the manner of defrocked priests or, as Arthur Koestler calls them, "The eternal adolescents of the Left."



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Gold & Dross

One to put away and forget—Asbestos in Newfoundland—Prices when marginal producers take to the hills—A sound equity.

Nickel & Copper

If you were buying mining stocks at this time, which metal would be your choice as the most attractive? — M. R., Winnipeg.

This question can only be answered with reservations. But if the appraiser were pinned down, the chances are he would name nickel, with copper as a second choice. Or perhaps, he would say nickel-copper since these metals are associated with each other.

The position in nickel is that Canada dominates the free-world supply. Her nickel industry, as embodied in International Nickel, has the ore resources, the refining facilities and the marketing organization to operate in the nickel industry at an optimum profit.

This country is also an important copper producer and has the facilities for making metal, rolling it, and converting it into the finished products upon which the modern electrical world depends.

The price of copper latterly has been weak but should recover once the marginal producers which flush prices attracted have taken to the hills. Over the years the price of copper should average a level which Canada's lower-cost producers will find profitable.

Canada Malting

What would your comment be regarding the investment attractions of Canada Malting Common? — W.J., Hamilton.

In Canada Malting, the investor has a chance to buy an equity in a company with steady earning power at a realistic price.

The company is engaged in the manufacture of malt, chiefly for use by the distilling and brewing industry. As might be expected from this type of endeavor, earnings are impressive and outlook for growth is good. The population is increasing but adverse sentiment to the manufacture and consumption of spirituous liquors is not.

The common stock, of which there are 198,972 shares outstanding pays 50 cents quarterly regular dividends. Extras have been paid from time to time, although not in the last couple of years. Net earnings on the common in 1956 were $5.62 a share. But the picture is even brighter when one considers that net was after writeoffs of $950,000. Thus cash flow exceeded $9 a share.

In hand is a program of expansion at the Port Arthur plant, which will absorb about $4 millions. Working capital at the end of 1956 was about $10.4 millions. The company has been redeeming preferred stock and had reduced the amount outstanding in April to 190,897 shares of $26 par.

Capital commitments, as well as the possibility of continued redemption of preferred stock, have to be taken into consideration in considering the availability or non-availability of cash for increased dividends. This, however, is one to put away and forget.

Advocate Mines

What is the outlook for Advocate Mines? — J. M., Kingston.

Advocate Mines is an asbestos proposition in Newfoundland. It has indicated an open-pit ore reserve of 27,825,000 tons containing 1,970,000 tons of asbestos fibre. This is sufficient for 21 years' life and the company's consultants expect that further exploration of the property would put in sight sufficient ore to maintain operations for an additional period of 21 years.

It is estimated that a capital investment of $17.5 millions would be involved to bring the property into production. It is considered as having definite locational advantages with respect to world markets, which are increasing, although it is acknowledged that existing mines threaten to pre-empt domestic markets.

Dofasco

How are the prospects of Dominion Foundries & Steel?—S.S., Ottawa.

Hamilton, Ont. enjoyed the name of "The Ambitious City" prior to the establishment there in 1911 or 1912 of the companies which later merged to become Dominion Foundries & Steel, otherwise known as Dofasco. There are, however, few Hamilton-based industries which so illustrate the aggressive approach of this city to manufacturing as Dofasco.

Dofasco is a primary-steel maker, concentrating on those items for which there appears to be the broadest, readiest market — plate, strip and castings. It is an integrated operation from iron ore to finished steel.

In common with Canada's other steelmakers, Dofasco has in recent years plowed back enormous sums into expansion and into improvements and additions to its facilities. It scored a North American first for the oxygen steelmaking process, with its economies. It installed new rolling mills and galvanizing lines.

Dofasco will tap a new source of profits as the result of the sale of byproducts (hydrogen and nitrogen) to an ammonia plant adjacent to it which North American Cyanamid Ltd. is building. This plant will be in operation in 1958 and utilize gas from Dofasco's coke ovens and nitrogen from its oxygen plant.

An outstanding feature of Dofasco's operations is the good labor relations it has cultivated and which account in no small measure for its earning power.

Basic steel is a growth industry and with Dofasco the shareholder can probably look forward to future expansion resulting in the granting to him of rights. The possibility of rights in connection with growth situations is one to which the investment community is paying increasing attention.

Dofasco may be recommended as a speculative investment for any one who can see his holding fluctuate without wincing as growth is awaited.

Dominion Oilcloth

Would a person be well advised to try to pick up some Dominion Oilcloth here? — J. B., Kingston.

Dominion Oilcloth and Linoleum is a strong company, one with remarkable stability of shareholder following if one is to judge by the relatively inactive market and slight fluctuations in its stock. This can be a great advantage but also disadvantageous in that the bid and ask price of the stock lacks the endorsement of a broad and active market.

The price of Dominion at this writing does not seem to be down as much from its high of recent years as is the case with a great many other equities. There is, of course, little reason to expect great recession when one examines earnings, prospects, cash position and equity value in relation to security values generally.

The company manufactures linoleum and allied products and has a strong position notwithstanding competition from imports and the inroads which new materials have been making into the market. Sales in the year ended October 31, 1956

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DIVIDEND NO. 283

NOTICE is hereby given that a dividend at the rate of thirty-five cents per fully-paid share on the outstanding Capital Stock of this Bank has been declared for the quarter ending October 31, 1957, payable at the Bank and its branches on November 1, 1957, to shareholders of record at the close of business on September 30, 1957.

Subscribers to new shares are reminded that they will rank for this dividend only in the proportion that the amount paid upon such new shares at the record date of September 30, 1957, bears to the subscription price of $30.

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J. P. R. WADSWORTH,
General Manager.

Toronto, September 6, 1957.

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were higher both in dollars and yardage but competition was intense. Net earnings dropped to $2.28 a share (760,000 shares outstanding) versus dividends of $1.60 regular and 40 cents extra during the fiscal year. Earnings the previous year were $2.47 a share.

Working capital at the end of October, 1956, was $4.7 millions and common stock equity was $20.65 a share. This is somewhat below the market price of the common but the latter can be more easily substantiated when one considers the heavily depreciated values upon which the equity is based. Corporations traditionally, and by law, write off assets on the basis of original cost rather than replacement value.

With inflation rampant in recent years, the assets of this or any other company could not be replaced for anything like book values. This consideration tends to explain the preference for equities which many investors are displaying and for which their heirs will probably commend them.

Gaspe Copper

I wonder if you would be kind enough to discuss the position of Gaspe Copper Mines? — Y. J., Windsor.

A subsidiary of Noranda Mines, Gaspe is a big, low-grade copper operation, the economics of which were predicated on favorable costs and the ready market for its output which its parent company's operations offer.

Early operations have not enabled it to take full advantage of three-year exemption from corporate income taxes which new mining producers enjoy. First, it ran into a power shortage, and curtailed operations as a result of failure of the submarine cable carrying power to it. Next, in March of this year, it became the scene of a prolonged strike.

Gaspe still owes $36 millions to Noranda, which financed it to production, so that dividends are not in early prospect. This is, however, a high-class company, the management and background of which reflect in an optimistic appraisal of its position and outlook by the investment community.

Premium Iron

How do you like Premium Iron Ores?— L. J., Ottawa, Ont.

Premium Iron Ores is a recent issue a $7.85 a share and is not without attrac tion as a speculation for the business mar or other security buyer who can shoulde some risk.

As its name implies, the company's in terests are in iron and are via shares o Steep Rock Iron Mines, Portsmouth Stee Corp. and iron properties in Ungava. Th company also acts as selling agent fo

Steep Rock. It had net profit of $132,595 and $191,822 in the years 1956 and 1955 respectively.

Premium's capitalization consists of 2,350,000 shares and warrants are outstanding entitling holders to purchase 260,000 unissued shares at $7.85 a share until August 31, 1962. Quoted market value of securities held early in August was $11,300,000.

Premium's Ungava properties derive interest from the possibility of being operated by steel companies in Western Germany, which is flourishing and which has become an important buyer of Canadian iron ore.

Alberta Distillers

What kind of progress is Alberta Distillers Ltd. making? — B. D., Quebec.

Alberta Distillers had a 44 per cent increase in gross sales in the year ended May 31, 1957. Business is growing in Ontario, Eastern Canada and U.S. markets. The company is to build a bottling plant and warehouse at Toronto, ownership of which will be vested in a subsidiary, Carrington Distillers (Ontario) Ltd.

The company raised its prices in the 1956-57 period but the increases did not become effective until after the busiest season. They should reflect in this year's operating results.

Greening Wire

Does B. Greening Wire stock look attractive? — C. H., Stratford, Ont.

Greening has speculative attractions. This company has been able to make progress despite foreign competition. There is appeal in the low price of the stock and the relatively few (570,000) shares outstanding. And over and above the equity there is a funded debt of only $450,000. Net working capital at June 30, 1956, was $2.6 million.

The company makes wire ropes, screens, etc. Business is carried on mainly with wholesale hardware companies and directly with big industrial and mining companies.

Packers' Dividend

Is there any chance of an increased dividend on Canada Packers? — W. F., Niagara Falls, Ont.

Policy of Canada Packers is to continue existing scale of payments of 87½ cents a share half-yearly. This dividend should be assured since earnings are on a par with the year ended March 27, 1957, when they were $3.76 a share. The packing industry in Canada appears to be avoiding the unfavorable experience of its American counterpart.

Gridoil

Is there any activity at Gridoil Freehold Leases? — K. F., Vancouver.

Gridoil has entered into a development agreement whereby the sum of $3 millions may be made available to it, repayable out of existing and future production. This will enable extensive drilling by the company this year. Six of the 17 wells drilled in the 22-well started in the spring of 1956 proved successful; two await further testing.

Cons. Sudbury

What happened to Cons. Sudbury Mines? — L. S., Buffalo, N.Y.

Cons. Sudbury decided to suspend production plans indefinitely pending an improvement in metal prices. The depressed nature of the latter, along with the discount on American funds and the possibility of the United States increasing import duties on lead and zinc, were too great an obstacle to overcome. Directors apparently felt that the three-year tax exemption the company would enjoy as a new producer would be largely wasted under existing conditions.

Back of the company's production hopes is a 17.8 million ton reserve of 1.1% copper, 1.06% lead, 3.92% zinc, 0.22 oz. gold and 1.58 oz. silver per ton. About

ACHIEVES MOST CHERISHED AMBITION

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"Writing has been something I wanted to do. I decided to enroll for the N.I.A. Course. After the second assignment, I sold an article to Rod and Gun. The Ottawa Journal and the local paper have taken articles. I look forward eagerly to the future." — B. V. Fedore, Arnprior, Ontario.

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It is seldom that anyone becomes a writer until he (or she) has been writing for some time. That is why so many authors and writers spring up out of the newspaper business. The day-to-day necessity of writing—of gathering material about which to write — develops their talent, their insight, their background and their confidence as nothing else could.

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DIVIDEND No. 269

Notice is hereby given that a Dividend of Thirty-five Cents (35¢) per share has been declared for the quarter ending 31st October, 1957, payable at the Head Office and Branches on and after Friday, the 1st day of November next, to shareholders of record of 30th September, 1957.

By order of the Board.
E. J. FRIESEN
General Manager.

Toronto, 4th September, 1957.

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12 million tons of this is in the Errington mine, the balance at the nearby Vermillion. Plans had looked to a 3,000-ton mill at the Errington with a six-mile aerial tramway to it from Vermillion.

Cons. Sudbury has had little luck, despite favorable showings. Production was run briefly about 30 years ago. The present company's efforts to revive the deposit have twice run into sagging metal prices. But this is a property the speculator with patience and a long view might bear in mind in weak security markets.

Publishing Prospects

Will the oversupply situation in newsprint benefit a company like Southam by reducing its costs? How does Southam look? — J. S., London, Ont.

If there is any change in the price of newsprint, it will probably be an increase. The Canadian newsprint producers will have to do something about the loss they are taking on U.S. exchange.

Southam's prospects are tied to the outlook for advertising. With the bloom being off the rose as far as sales of most consumer goods are concerned, manufacturers will probably step up their advertising budgets. If their judgment of the market is wrong, some will reduce them. But the overall picture is for at least the maintenance of the present scale of budgets by the bulk of manufacturers, as a result of intense competition.

In Brief

Anything new on Eastern Mining & Smelting? — J. G., Guelph.

An interest has been acquired by a new group.

Where does McVittie-Graham stand? — C. B., Windsor.

Inactive, with a fair-sized war chest.

How is Gallekeno doing? — K. G., Oshawa.

Abandoning plans for depth development as a result of low metal prices.

Any hope for Atlin-Rufner? — N. B., Saskatoon.

While there's life.

What is the status of West Malartic? — — M. L., Victoria.

Looking at some properties in Manitoba.

What is Federal Kirkland doing? — D. T., Peterborough.

Not much.

Did Cons. Regcourt ever get into production? — O. P., Montreal.

No.

What is the status of Kirk-Hudson Mines? — B. G., Ottawa, Ont.

Needs an injection of fresh capital.

Who's Who in Business

Edward A. Williams

Punctual Perfectionist

He feels that quality is as important as sales tallies and he is continually stressing this to plant personnel and salesmen.

Capsule Comment: Slight and greying Edward A. Williams, son of a mechanical draftsman, shot up through company ranks in ten years to become president of Chesebrough-Pond's (Canada) Ltd., and a director of Chesebrough-Pond's International Ltd. As president of the Canadian company, Williams is chief executive officer; is responsible for the manufacture, distribution and sales of over 164 cosmetic and pharmaceutical products ranging from Pond's Cold Cream and Vanishing Cream (company is world leader in sales of these) to "Vaseline" Petroleum Jelly in Canada.

As a director of the International Co. Williams helps shape company policy in 119 countries and the 20-odd plants which distribute products in every country of the world with the exception of those within the Iron Curtain.

Vital Statistics: Born into a railroading family in Hammond, Indiana, 49 years ago, he moved to Montreal at five years of age when his father became a draftsman with the CPR and his mother took over a job as secretary to a CPR official.

Basic Training: After graduating from high school, Williams followed family's example and joined CPR as a clerk in the purchasing department. In 1928 he was transferred to Toronto as assistant to the purchasing agent. After staying in this position for 13 years without a promotion, Williams was despondent, and decided, "I had been around there long enough, and before I got into a real rut, I quit".

In 1941 he joined the General Engineering Co. in Scarborough, Ontario, a mine contracting firm that had turned its vast facilities over to war production. As general purchasing agent responsible to supply a staff of 6,500 people with items ranging from lettuce for the cafeteria to giant lathes for the machine shop, Williams and his staff of 30 set new standards for efficiency and cost control. "I realized then that a purchasing agent is really one of the most important members of the staff of any company simply because he can make or break a financial sheet. I also found I was learning a lot about plant operation".

In January of '46 he joined the Pond's Extract Co. as plant manager in charge of manufacturing and sales. His past paid off and in June of that year he was made a director of Pond's Extract Co. of Canada and also of Pond's International Ltd. A year later he was appointed vice-president of the Canadian company in charge of the entire operation. Less than 12 months later he was president of Pond's Extract Co. International Ltd.

When the merger of Pond's and Chesebrough Manufacturing Co. took place in 1955, Williams was named president of the newly formed company two months later.

Attitudes and Personality: Extremely interested in his industry, he was president of the Toilet Goods Manufacturers Association in 1956, and is equally proud of his membership in the Canadian Council for Christians and Jews. He feels that quality is as important as sales tallies and is continually stressing this to plant personnel and salesmen. Broad-minded, but with definite ideas about efficiency, Williams dishes out orders from his plush broadloomed office with an infectious grin and ingratiating manner.

A zealous guardian of employee-management relations, Williams keeps notes on each employee's birthday in his desk diary and personally goes into the plant to congratulate the celebrant.

His lack of slick sophistication is balanced by an informal friendly attitude that wins over employees and visitors. An immaculate dresser who makes it a practice to keep his desk clean, he keeps associates on their toes by politely but firmly insisting on perfection. Williams is blunt and to the point ("Sorry I can't tell you what I consider to be confidential information"). He believes in running a "balanced" operation — "continued overtime means either inefficiency or an understaffed plant".

Working Conditions: Punctual by nature, he enters his modern office in the new 160,000 sq. ft. plant in Markham, Ont., at 8:00 a.m. (he gets up at 6:30 a.m. to do it). He prefers the cinnamon-colored office couch to his leather desk chair when he has visitors—who often take up half his day.

He is especially proud of working conditions for the 100 employees, and delights in showing visitors the modern machinery and cleanliness in production areas. At 6:30 p.m. he takes the 30-minute drive (in a Buick) to his six-room two-storey home in Leaside.

Living Habits: A dedicated family man who believes that week-ends "should be reserved for your family", he lists as hobbies "my business and my family". His only outdoor recreation consists in fishing on week-ends at his cottage near Georgian Bay with his wife and two children.

Not one to enjoy prim, formal parties, he enjoys spending evenings reading financial papers and magazines, "which leaves me damn little time for novels".

Current Performance: With more women dousing their faces with cold cream, and more men plastering on the hair tonic, company sales and profits are getting higher each year. As for President Williams — "The erection of our new plant should prove the great faith we have in the future".

Your Taxes

by Garfield P. Smith, CA

Arm's Length

What is the significance of the expression "Arm's Length" for income tax purposes? —A.R.C., Hamilton.

"Arm's Length" is an expression used in the Income Tax Act to differentiate between transactions between strangers and transactions between related persons. Related persons are deemed not to be dealing with each other at arm's length. Transactions between persons dealing at arm's length are generally accepted at face value because strangers presumably deal at fair market values. Transactions between persons not dealing at arm's length may be negotiated at other than fair value, and where such is the case, the Act specifies under what circumstances the fair value shall be substituted for purposes of computing income for tax purposes. The Act also provides under what circumstances corporations will not be entitled to the preferred rate of tax when two or more corporations are controlled by persons not dealing at arm's length. Relationship for the purposes of determining whether or not persons are dealing at arm's length is defined in the Act. Relationship between individuals refers to family relationship. Relationship between corporations or between an individual and a corporation refers to the measure of control over the corporations.

Deceased Persons

I am in a partnership whose fiscal year-end is March 31 each year. One of my partners died in July and I have been requested to file his income tax return. Kindly advise the proper method of dealing with the deceased partner's income earned from the latest fiscal year end to the date of death. Also, as we have always operated on a cash basis, kindly advise the proper treatment of outstanding accounts receivable for purposes of computing the income tax of the deceased partner.— R. S. J. Hamilton.

Where a person dies after the end of a fiscal period but before the end of a calendar year, it is permissible to file a separate return in respect of the income earned after the end of the last fiscal period. For example, suppose that your partner had died on July 31, 1957 and that his share of the partnership profits had been consistently $1,000.00 per month, and that he had no other income. Suppose further that his personal exemptions were $2,800.00.

If a single return were filed for the earnings both before and after March 31, the deceased partner's income for 1957 would be $16,000.00. This is made up of $12,000.00 for the fiscal period ending March 31, 1957 plus $4,000.00 earned from April 1, 1957 to July 31, 1957. His taxable income after the deduction of personal exemptions of $2,800.00 would be $13,200.00 which would put him in the 38% income tax bracket. The tax payable on $13,200.00 is $3,236.00.

On the other hand, if separate returns were filed for the income earned before and after March 31, the tax would be computed as follows:

The first return would report an income of $12,000.00 for the year ended March 31, 1957, and the taxable income after the deduction of personal exemptions of $2,800.00 would be $9,200.00, the top bracket of which is taxable at 28% rather than 38%. The tax payable on $9,200.00 is $1,896.00.

The second return would show an income of $4,000.00 earned from April 1, to July 31, 1957. The taxable income after the deduction of the exemptions of $2,800.00 would be $1,200.00. The tax payable on $1,200.00 is $184.00.

The combined taxes of the two returns total $2,080.00 which is $1,156.00 less than the tax payable if all the income were included on one return.

As to the treatment of accounts receivable existing at the date of death, there are three alternative methods:

(a) The value of the accounts receivable may be included in the taxpayer's income for the taxation year in which he died;

(b) One-fifth of the value of the accounts receivable may be included in computing the taxpayer's income for each of the last five taxation years including the year of death; or

(c) A separate return may be filed for the value of the accounts receivable existing at the date of death from which may be deducted the deceased's personal exemptions.

The tax should be computed each way in order to determine which is the most advantageous. If the accounts receivable are substantial, the income may be taxed in a particularly high bracket if all the receivables are added to income in the year of death. Whether or not it would be more favourable to apportion the income over a five-year period would depend on the incomes earned in the other years. In the third alternative, it is possible that no tax will be payable in some cases. For example, if the deceased's share of the accounts receivable is not greater than $2,800.00, then the taxable income after deducting personal exemptions of $2,800.00 would be nil and therefore no tax would be payable.

It can be seen from the foregoing that in some cases it is possible to file three separate returns for the deceased taxpayer for the year of death and not only is the income split three ways and therefore subject to a lower rate of tax, but the personal exemptions to which the deceased taxpayer is entitled may be deducted three times.

Business Losses

To what extent may business losses be applied against income of other years? — G. C. L., Winnipeg.

Business losses should be applied in the following order until exhausted: The loss is first applied against other income for the year. The balance if any, is applied first against the income of the previous year, and then against the income of each of the five succeeding years in order.

Charitable Donations

Am I entitled to a deduction for charitable donations made to United States charitable organizations? — M.I., Windsor.

In computing the donations to which you are entitled, you may include contributions to qualifying organizations in the United States under the following circumstances:

(a) You must have resided near the boundary between Canada and the United States the whole of the taxation year;

(b) You commuted to your principal place of employment or business in the United States; and

(c) Your chief source of income for the year was that employment or business.

In all other circumstances, allowable donations are restricted to qualified charitable organizations in Canada.

Non-Resident Dependents

Am I entitled to a deduction for amounts contributed to relatives who do not live in Canada? — M.B., Vancouver.

Deductions up to the maximum allowances authorized under the Act may be claimed for the support of relatives who reside outside the country, provided that they qualify as dependents. It is usual in such cases for the Department to insist on proof of support such as cancelled cheques, drafts or money order receipts.

Insurance

by William Sclater

Protecting Exhibits

Our company had an exhibit at the C.N.E. We move this around the country, showing it at other exhibitions and fairs. What insurance protection do you recommend for an exhibit like this?—H. J., Toronto.

Special floater "All-Risk" policies are available through leading insurers to cover exhibits in transit "to and from" and "at" annual exhibitions, trade and fall and winter fairs. These will cover both the display and booth furnishings against fire, theft, transit perils and other losses. This insurance can be secured on a one-month basis or, on some types of exhibit, an annual basis can be arranged. See your insurance agent and give him particulars of value, where it will be shown and also any past experience.

It is impossible to quote a rate because of the different fire hazards and the inherent risks of other hazards in different places. Exhibits housed in fire resistant buildings will be rated lower in protected areas.

Windstorm Damage

I have a summer cottage in the Lake Scugog area. This summer a violent windstorm caused considerable damage, blowing down trees and damaging many cottages. Apparently very few of my neighbors, if any, carried any windstorm insurance on their places and had to meet this loss themselves. How should a summer place be protected by inurance? Incidentally I am interested in a small manufacturing plant in Orillia and I believe we have no windstorm insurance or whatever it is called there either. Is there a special policy applicable to manufacturing plants? — R. B., Orillia.

A windy reputation makes a poor risk, and the windier it is the harder it is to find underwriters who will insure against windstorm in an area with a bad reputation. Shouldn't think it would be too difficult to find an underwriter to accept windstorm risk in the Lake Scugog area. It doesn't get hit often. I believe that goes for Orillia too.

Few people realize what wind can do until they experience a taste of a big wind in action. It is quite unbelievable what a tremendous force is unleashed. Many summer residents would probably carry a smallish fire policy on their property, most of these being of frame construction-type buildings in areas that are unprotected except by the owner's own precautions.

To secure protection against damage by windstorm to a summer cottage you require the extended coverages endorsement on your fire policy. Cost of the endorsement is about 15 cents a $100 on a three-year basis.

There is no difference where a manufacturing plant is concerned. Here again the coverage is secured by an extended coverages endorsement to the fire policy and the rate would be about five cents a $100 per annum, which would come out to the same rate on the three-year basis.

Windstorm damage is a rising risk in Ontario in recent years. A reasonable measure of insurance protection against this hazard is a wise precaution.

Business Interruption

When our hotel burned down we collected the fire insurance. This was enough to cover most of the replacement cost but we were unable to add the extension we wanted because our continuing expenses and loss of normal profit while the rebuilding was going on amounted to more than $72,000 dollars. We don't want to go overboard on protection but isn't there some good insurance coverage that would have met at least some of this loss?" — A. F., Winnipeg.

Your problem is one which every businessman and industrialist should consider when deciding insurance coverage. The answer to it lies in the Time Element or Business Interruption insurance coverages. In your case it might well be described as Earnings Insurance.

Actually it is one of the most modern forms of insurance, taking over where fire insurance leaves off and paying all standard charges and expenses and ensuring the continuance of normal profits until restoration of normal business.

The disaster hazards against which this insurance may be written include Fire, Windstorm, Hail, Lightning, Explosion Risk, Impact by Aircraft or Vehicle, Smoke Damage, Sprinkler Leakage.

The basis of underwriting is the previous year figures adjusted to estimated earnings. These, incidentally should be estimated at their maximum and the policy written subject to premium adjustment if they are not reached.

There are two forms of application of Earnings Insurance. One pays standing charges, fixed expenses and loss of profits until the business starts to operate again. The other form goes beyond that. It does all these things but remains operative until the business is fully restored to its former profit level.

It should be noted that this Earnings Insurance is applicable even when there is only a partial loss or partial shutdown, the coverage indemnifying to the extent of the reduction of earnings.

A company which has specialized and pioneered this coverage for many years and is always available for consultation, is the New York Underwriters Insurance Company with head office for Canada in Toronto. Through it your local agent can always get advice, if it is needed. It should be remembered this is a new form of insurance, comparatively speaking, and one that needs to be specially written to the requirements of each particular risk.

Protection for Jewelry

Is there a special insurance policy that covers valuables such as jewelry only? What risks would it protect against and how much would it cost? — Mrs. E. H., Vancouver.

Yes. There is a Jewelry Floater policy which will insure your jewelry, and watches, against all risks, on a one or a three-year basis. You must list the articles to be covered and give the total amount of insurance protection required.

The minimum annual premium on a one-year basis would be approximately $5; or $10 on a three-year basis. Annual premium for the first $5,000 of coverage is quoted by one big insurer in this line at $1.20 or $3 for three years on each $100 insured. The next $5,000 of coverage would be 80 cents on a one-year basis, $2 on a three-year term, additional to the charge for the first $5,000 per each $100 insured.

For the next $40,000 of coverage the rate would be an additional 64 cents annually or $1.60 on a three-year basis.

Similar coverage may be extended to other articles such as cameras, portable typewriters, silverware, stamp collections and musical instruments, for example. It should be noted that a jeweller's valuation or bill of sale is required as proof of value. Rates would be slightly higher for cameras and portable typewriters at $5 for each $100 insured on a three-year basis but lower for stamp and coin collections at $1.85 on the same three-year basis.

Only exclusions are the usual war, moths, vermin, gradual deterioration and inherent vice. These floaters are sold by many fire and casualty insurance companies. See your local agent for particulars.

Germany

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haven; so does North German Lloyd's "Berlin", occasionally from Halifax and otherwise from New York, while Home Lines' German-run "Italia" goes from New York to Cuxhaven/Hamburg. It goes without saying that many more ships of other companies are available from Canada (and New York) to British and neighboring continental ports where passengers have easy access to Germany.

The four-lane super highways known as autobahns are the joy of motorists. There are filling stations, roadside phones, delightful restaurants and parking facilities inviting to stop-overs for a rest. One US-gallon gasoline sells for about 57 to 62 US-cents according to price-zones. By the way: the hard Deutsche Mark has been stabilized at 4.20 to the US dollar (a Canadian dollar nets around 4.40 marks at present).

Germany is, not only in the words of the world traveller Mark Twain, a land of infinite variety. She is also a country of pageantry, both scenic and historic. Canadian tourists need only their valid passport, no visa for the Federal Republic; the same goes for West Berlin provided visitors go there, as advisable, by air. From Hanover airport, the one closest to the metropolis, a tourist class round-trip costs just about $24 with flights originating between 8 p.m. and 9 a.m. (night flights) reduced to $15 odd (tickets for the latter to be bought in Europe). Other airports are Hamburg, Bremen, Dusseldorf, Cologne / Bonn, Nuremberg, Stuttgart and Munich.

Canadians may bring into and take out of Germany as much currency as they please; coins and bills, foreign, German or in travellers' cheques. This liberal set-up makes it easy to travel anywhere anytime. From the wind-blown dunes of picturesque islands off the coast where North Sea resorts vie with the ones on the Baltic to the towering Alps framing clear lakes in the south, a distance of 560 miles, one can travel by car, train, bus and boat, passing through cities full of bustling life, the streets lined with glass-fronted shopping arcades, and then the country again, each region surprising with new charm, each different from the other.

While the autobahns link the big centres, many smaller roads lead to adventure through villages with streets sometimes just wide enough to let you squeeze between half-timbered houses—or over hills where a quaint monastery or lake may nestle. Wherever one turns, one is sure to discover a pleasant inn, perhaps once a baron's hunting lodge or summer castle where now all visitors are ladies and lords of the manor. Just follow the Castle Road from romantic Heidelberg to Durer's Nuremberg via the Neckar Valley and Heilbronn, Langenburg and medieval Rothenburg-above-Tauber to see what is meant.

Cars of all sorts and types may be rented in Germany, from the low-cost economical Volkswagen to the latest Cadillac or Mercedes 300 with or without chauffeur. On the Rhine or Lake Constance steamer cruises, you can even alternate from boat to train on the same ticket. The highest mountains are easily conquered by cable-car, chairlift or cog-wheel railroad. That is true, too, for the Shangri-La summit of the 10,000 ft. Mt. Zugspitze, highest of the German Alps and featuring the famous Schneefernerhaus Hotel, eldorado of tourists all the year round. To spend a night up there and watch sunset and sunrise is an unforgettable experience (single accommodation with full board and room with private bath costs $6 to $8 per day).

Freiburg: 13th-century inn sign.

Germany's fact-stating slogan says: any time is travel time. This is to emphasize that not only the high seasons of summer and winter (summer with the peak-months of July and August) offer ideal holidays. The travel-wise much prefer the so-called off-season nowadays, spring and fall, for obvious reasons: it's easy to get the accommodation you look for and you are also the centre of much more attention as the country isn't crowded.

More than 300 ski resorts, among them lovely Garmisch-Partenkirchen, Oberstdorf and Berchtesgaden, welcome winter sports enthusiasts. In the cities, it is the season of opera and drama, ballet and concerts. And then Christmas time with Bavarian star singers caroling, Christ-Child-Marts in Nuremberg, Frankfurt and elsewhere, shops aglitter. Before Lent comes Carnival time with parades and masquerades and all sorts of gay nonsense, wine, singing and carefree laughter along the one and only Rhine and in Munich (marking its 800th birthday in 1958).

Retailers

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with 1957 sales estimated at more than $600 millions. The retail pharmacy industry is running a distant second.

What's new, however, is the change in emphasis this year. Not only are older groups expanding; new groups are forming and consolidating with amazing speed.

The picture:

— Syndicate selling is solidly entrenched in the food industry. It has halted the chain stores' steamroller-type growth in the U.S., in terms of percentage of market, and it is showing signs of doing the same thing in Canada. The syndicate is now accepted by both manufacturer and consumer. It dominates food selling in Western Canada and Eastern promoters are moving up fast.

— In drugs, an estimated 10% of drug store sales flow through syndicate store members. The idea appeals most to the highly aggressive pharmacist who is "front shop" conscious: heavy on cosmetics, cameras, confectionery, etc.

— Hardware groups in several sections of the country are running practical tests to determine the value of syndicate theory to the industry.

The consensus: co-operative buying and promotion by individual local groups seems to be fine but so far the full syndicate type of operation hasn't answered the industry's problems. The explanation: the syndicate methods of today answer only the problems posed by hardware chain competition and the independent hardware merchants' greatest problem today is not the chain hardware store but the food chain. Food supermarkets, including the grocery syndicates, have been grabbing an ever increasing share of the hardware's small-goods (the high markup) market and so far the small independents have found no satisfactory way of stemming the tide short of gambling on their own supermarket-type outlets.

— Furniture is the newest syndicate field and the reports are glowing. In this area, the effect of department store advertising power has crystallized the retailers' ideas and they have retaliated by group action. The furniture sellers have discovered, as the appliance supermarkets did, that customers are switching from window shopping to advertisement shopping and the syndicate formula for co-operative ads is ideal for groups of non-competing independents. In no other way can a small merchant get satisfactory advertising coverage in the media his potential customers wish to study.

Here's the theory behind today's group formations:

The syndicate is a protective device or umbrella under which a number of non-competing merchants in essentially the same industry establish a joint buying, warehousing, promotional, and research agency. Some are designed by the merchants themselves as co-operatives. Others are free enterprise profit hunters. They seem to fit equally well into both national and regional patterns. Either way, whether co-operative or profit hunting, the objective is to combine the advantages of chain store merchandising and pricing with the independent store's traditional forms of service.

Basic to syndicate development, apparently, is a large element of fear. The whole pattern of growth has followed inroads made, in turn, by mail order, department store, or chain store hard selling. Rarely, it appears, does a merchant give up any of his buying policy or promotional freedom for profit alone. Fear of survival, however, is a strong enough impulse to make the group idea attractive. To many, if not all joiners, the group idea is the ideal solution to the spectre of chain domination or chain-caused bankruptcy.

The chain grocery growth, for example, in the post World War I era filled many men with fear for their existing businesses. Smith M. Flickinger, of Buffalo, N.Y., saw the trend early and he formed a grocery chain to dovetail with his grocery wholesale business. That, however, posed still a new threat to his customers and jeopardized the wholesale business even further. His solution: a new type of "chain" that would combine local ownership advantages with the economies of regional or national chains.

Red and White was the result, a name coined from the then usual custom of painting grocery stores red on the outside and white inside.

Three Canadian wholesalers were impressed with the idea of surviving by helping their customers and in 1927 they met with Flickinger and formed a Canadian corporation. The founders were W. O. Riley of Western Grocers in Winnipeg, Frank Sloan of John Sloan and Co. of Toronto, and H. E. Guppy of Windsor. Shortly afterwards National Grocers bought out the Guppy interests at Windsor and the Sloan company at Toronto; the large Vancouver house of Kelly Douglas applied for membership in the group soon after it was formed and was accepted.

It is interesting to note that Red and White has practically evolved a full circle, if current industry reports are true. Grocerymen believe that National Grocers is now controlled by the principals behind the giant Loblaw companies and Loblaw's is Canada's largest food chain.

Three other wholesalers have interests today. They are Atlantic Wholesalers of Sackville, N.S., Dealers Supply Co., of Granby, Que., and Halifax Wholesalers, of Halifax. These six firms service more than 1,200 independent retailers whose sales are in the neighborhood of $240 million per year, according to Red and White President John Elton. In addition, Lucky Dollar Stores are Red and White Corp. owned and the franchised dealers are free to use that name and promotional services. So far there are about 150 of them in Ontario, the Prairies and the Maritimes. Their average sales per year per store are $100,000.

The Red and White orbit is even larger than it appears on the surface. In addition to its Lucky Dollar stores connection, it is closely related to the separate co-operatives of its component wholesalers. National Grocers has formed Super Save Stores for independents averaging sales of more than $10,000 per week and to date 13 of them are operating in Ontario.

The Prairie partner in Red and White also sponsors two other voluntary syndicates. Tom-Boy Stores and United Purity Stores are prominent factors in Manitoba and in BC but not, however, in Saskatchewan and Alberta.

In Manitoba Tom-Boy has 22 stores, most of them larger than average. United Purity has some 110 stores, a bit smaller than average. In BC both groups have approximately twice as many members as in Manitoba.

Second in food retailing to the Red and White octopus is the fast developing Independent Grocers' Alliance and third in line is the newly introduced Clover Farm group. In National terms, I.G.A. represents more than 600 stores and its retail sales are estimated at about $185 million per year. Clover Farm has about 200 outlets so far and its retail sales are estimated between $50 and $70 million per year.

The basis of the I.G.A. plan is that all member retailers agree to purchase all requirements possible from I.G.A.; to operate a modern-type self-service cash and carry market; to co-operate with the franchised distributor both in the matter of store operation and advertising and promotion plans. The retailer buys dry groceries at delivered warehouse cost (f.o.b. list price plus transportation) to which is added a service-management fee which includes his share of warehouse overhead, buying, merchandising, store engineering and other expenses. As is usual in the grocery business, the retailer sends a signed blank cheque to the warehouse with his weekly order.

The other food syndicates work almost identically and here's how they have covered the nation:

— Maritimes, 375 syndicate outlets gross some $40 million in sales, about 16% of total food store sales;

— Quebec, still the stronghold of the completely independent independent, 800 outlets which move about $90 million in sales, about 12% of the province's grocery bill;

— Ontario, 1,100 stores have sales of nearly $200 million, about 18% of the total.

— Prairies, the voluntary group stronghold. There, some 1,300 outlets handle about $160 million in sales per year, a whopping 42% of the entire food store business;

— BC, another syndicate powerhouse with about 450 stores having gross sales nearing $100 million and representing 39% of the market.

Despite the impact the syndicate movement has had, however, it is not necessarily enough to make every merchant adequately wise, aggressive, and successful. One group, for example, has notified some 400 grocers during the past two years alone that they no longer could remain within the group because their stores or policies were not up to standard. Each of the wholesale houses involved in syndicate development reports somewhat similar experience.

In the drug field, the "morbidity" is somewhat lower and the experts say that this is due to the professional standing of the retail pharmacist.

The drug trade pattern is almost a classical illustration of the two-step syndicate motivation theory: (1) fear of chain (2) reaction into groups to retaliate.

Canada's retail pharmacist is essentially a professional person deeply imbued at university with characteristics of service, integrity, and *independence*, as are doctors, dentists, and lawyers. The sinister apothecary of long ago has given way to the genial neighborhood druggist — who probably grows less genial day by day as more and more non-pharmacy outlets try to take over his high-profit non-prescription-drug business.

First to act on the druggists' behalf was a firm called Drug Trading Co. It saw the pattern developing early and it quickly reasoned that the Flickinger theory could be applied with simple modifications to pharmacy. The wholesaler's clients were further harassed by mail order drug sundries companies which were making even greater inroads into the pharmacists' field than the chains.

Drug Trading thereupon sponsored I.D.A.

Any retail pharmacist fully qualified professionally may join by buying Drug Trading stock. It pays a guaranteed 4% dividend and profits are otherwise distributed as commissions to purchasers. Minimum stock purchase for membership is $120. Maximum is $960. Average base fee paid by members for special services is about $450 per year. Minimum special fee payment is $150 per year.

To date some 500 Canadian druggists have signed up with I.D.A. Most of these are in Ontario. In Quebec a similar organization, I.R.D.A. helps the independents with buying and promotion systems, also worked on a co-operative basis.

Policeman With a Future

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though they wore romantic blue armbands marked "S.d.N." Perhaps the most elaborate effort was the management of the Saar plebiscite in 1934-35, with a force of about 3,500, under League sponsorship but comprising mostly British officers and men. This was the closest thing to an international force to which the League ever came.

In the United Nations itself recent experience was more varied but not much more helpful. Broadly speaking there had been three types of field activities since 1946 that required some aid of men-at-arms operating in the name of the United Nations. There were first the UN guards, about 50 in number, that Trygve Lie put at the disposal of Count Bernadotte when conciliation efforts and armistice arrangements were undertaken between Israel and the Arab States by Bernadotte and Relph Bunche. In fact the personnel here were dressed very similarly to the UN guards on duty in New York and did not pretend to be truly military in their dress, regulations or discipline. Later when the Armistice Agreements between Israel, Egypt, Jordan, Lebanon and Syria came into effect and the UN Truce Supervision Organization in Palestine was established, there were 60-odd staff-members who acted as observers as well as chairmen of the four Mixed Armistice Commissions all of whom were recruited from member states. Their principal task, however, was observation and reportage.

Now it should be remembered that U.N.T.S.O. was a creature of the Security Council. For the armistice agreements had been brought into a relationship with the United Nations through relevant resolutions of the Council in setting up the truce supervision machinery. Again it must be emphasized that while all the personnel here were professional soldiers seconded from their regular member-state duties, they did not engage in military, para-military or police activities as such beyond observing and reporting. Finally, the UN had an enormously elaborate "police action" experience in Korea, but this was largely on paper so far as any United Nations authority was concerned.

Now all of these experiences were useful if not really determining in the marking out of constitutional authority and administrative structure for the proposed emergency force. From the beginning there were a number of very difficult problems. In the first place did the General Assembly have any right to establish such a police force in view of the fact that security matters were by the Charter vested in the Council? Secondly, what were to be the precise functions of such a force in Suez, in Sinai, in the Gulf of Aqaba and in the Gaza strip? Thirdly, how was such a force to be organized; from whole contingents of member states or individual volunteers and if whole contingents how was the United Nations to assert its command position if these forces brought their own company or regimental commanders along with them who were naturally subject to their own national departments of defence? Finally, what were to be the rights of Egypt with respect to the Force on the one hand, and the ability of the Force to move where it pleased both in Egypt and perhaps in Israel in conformity with the objectives of the Assembly in order to effect the cessation of hostilities and the withdrawal of all French, British and Israeli troops from Egyptian territory?

Looking back over the debates it is quite clear that the crisis, and the attractiveness of the Emergency Force as an instrument to save faces and restore peace, did much to obscure the constitutional issue of the right of the Assembly to establish it and of the Secretary-General to manage it. Of course, it was argued that the Force was based upon the Uniting for Peace resolutions of 1950 which permitted the Assembly to examine and deal with security questions when the Council could not or would not. But few had ever doubted that these 1950 resolutions were themselves not free from constitutional uncertainty: and this dilemma remains today.

For it is one thing to have a system of observers and reporters in the name of the Assembly; it is quite another to have army units engage in police duties and able, ready and willing to shoot in their own defence and perhaps occasionally at the infiltrators they are supposed to prevent from moving back and forth across the Israeli Egyptian armistice line. The truth is that necessity created the Force as well as the then belief in its constitutional validity. It is equally true that whether a narrow constitutional interpretation today would or would not justify this Assembly creation, the Force is a fact, Assembly control is a fact and the need for the Force is a fact. And facts have a tendency to press upon constitutions and shape them into legal forms that execute both a need and a will.

There were many misgivings in the first weeks of the Force's operation. The British and French saw the Force as a means of preserving a measure of international control over the Suez only to be disillusioned in due course when Mr. Hammarskjold, the Advisory Committee and the Assembly defined the Force's primary Suez function as that of effecting the withdrawal of French and British forces and policing the area until Egyptian troops and civil police took over again. The Israelis were faced with a more difficult dilemma: to withdraw from Sinai, Gaza and Aqaba without firm assurances that Sinai and Gaza would no longer be used for raiding and Aqaba no longer blockaded. It seemed to Ben-Gurion and his people a tragically unfair burden to face again after their military action had given them the first real security they had known since 1949. So they argued that their withdrawal must be withdrawal on conditions, while the Secretary-General, supported by the majority in the Assembly, insisted that since their action was illegal, the withdrawal must be unconditional—and only after withdrawal could the merits of the Israeli claims be considered.

Slowly, however, both Mr. Hammarskjold and the Assembly shifted their ground in January and February of 1957. And there emerged out of the diplomatic ambiguities of the Secretary-General's turgid prose, signs that he was prepared to have the emergency force stay in Aqaba and in the Gaza strip in order to satisfy for the time being the Israelis' concern for their plight after withdrawal. In fact it worked out pretty much as the Israelis had insisted except for the unexpected return of Egypt to civil and military control of the Gaza strip, a situation which the Israelis — and perhaps the Assembly too—had not anticipated in view of the suggestion by Mr. Pearson and others that UNEF should act as an interim civil administration pending the future disposition of that slim strip so deep on Israel's flank.

The third problem was the organization and management of the Force. Both the Secretary-General's reports to the Assembly of Nov. 4th and Nov. 6th, as well as later documents, made it clear that this was to be a force subject to control by the United Nations Assembly and indeed it later was given the status of a special subsidiary organ under Article 22 of the Charter. The Force was made up of contingents from ten countries none of which were permanent members of the Security Council—although offers came from many more. It was evident from the beginning that Egypt intended to exercise some kind of control over the contingents that were accepted by the UN; indeed, she turned down Pakistan, and limited the Canadians to administrative, signals, reconnaissance and communications units including air transport facilities. How delicate was the question of acceptability will be remembered from the extent of Canadian embarrassment over the case of the Queen's Own Rifles.

By the end of May of 1957, the total strength under General Burns was approximately 6,000 officers and men, with Canada supplying about 1,200—the largest single contribution. (Brazil 530, Colombia 520, Denmark and Norway 650, Finland 250, India 940, Indonesia 580, Sweden 330 and Yugoslovia 760). These troops, however, were entirely under UN command except for questions of unit discipline when they came under the direction of their own officers. But their functions were determined for them by Gen. Burns' orders and his policy in turn was based upon regulations approved by the Assembly and directives from the Secretary-General who in turn was guided by the seven member Advisory committee. Perhaps the most significent feature in the structural aspect of the Force was the extent to which it was given a high degree of legal immunity from local Egyptian law and generally received treatment equivalent to that of personnel protected by the UN Convention on Privileges and Immunities that governs United Nations staff throughout the world.

Finally, and most important of all, there was the problem of the extent to which the Assembly and Mr. Hammarskjold could make decisions about the deployment and activities of the Force on the one hand and the degree to which Egypt could assert her sovereign authority to approve or disapprove these decisions on the other. Not only was a quite generous agreement worked out between Egypt and the United Nations on the status of the Force, but more important both Egypt and the United Nations agreed to approach these problems in "good faith", each recognizing the rights and responsibilities of the other. Of course, underlying this formal façade was the reality that in the early period, at least, Egypt needed the Force quite desperately as an instrument first to get France and Britain out of Suez and second to effect the Israeli withdrawal from Sinai, Aqaba and Gaza. It remains, however, a significant fact that almost a year later Egypt continues to permit the Force to remain in Aqaba and perhaps what is even more significant, the Force has a role on the Egyptian side of the Gaza line which is somewhat more elaborate than Egypt seemed at first to bargain for. The policy of the Force here is to assure the general enforcement of the 1949 Armistice Agreement as well as to prevent day-to-day infiltration and possibly more general raiding by one side or the other.

What has been the net result of this extraordinary experience in United Nations policemanship? I should list the following as the achievements and possibilities:

1. A truly international police force has been recruited and managed with skill and with a minimum of irritation. In the process the Secretary-General has acquired a new diplomatic and managerial dimension affecting the whole significance of his office and with important results for the peace-keeping machinery of the United Nations.
2. Four member-states have co-operated with this agency of the General Assembly even though pride and their deepest interests were involved: Britain, France, Israel and Egypt.
3. A constitutional beginning may now have hardened sufficiently to change somewhat the structure of the Assembly's power — although constitutional purists may, with justification, still have doubts.
4. The longer UNEF stays in Aqaba and Gaza the more established does the role of the Force become as an instrument for preventing hostilities in that area. Israel has refused to permit the Force to operate on the Israeli side of the line on the grounds that the infiltrators come from Gaza and Sinai and possibly also because the presence of UN policemen might lead to new attempts to impose new UN-designed frontiers on her.
5. Experience has now been won which will permit the organization of similar police activities on other threatened borders in an edgy world: Kashmir, Indo-China, are theoretical if unlikely candidates, but they suggest the possible scope of activities for a parallel UN operation in the future. But there should be no illusion that the Force has a role to play in direct collisions between great powers, or even between smaller but unwilling ones.
6. The financing of the Force presents great difficulties since the Soviet bloc refuses to contribute. Sixteen and a half millions has been authorized by the Assembly although 24 millions already have been spent. The first ten millions were voted by the Assembly to be shared by all members in proportions similar to their annual UN budgetary contributions. The second ten millions were to be subscribed voluntarily with the United States willing to put up 50 per cent. But these amounts have not yet been donated. Nobody knows for the moment where the rest is coming from.
7. The foundations have been laid for possible "stand-by" agreements to provide a permanent or quasi-permanent nucleus of United Nations policemen whose availability may have a good deal of symbolical value. Prime Minister Diefenbaker, addressing the Assembly on Monday, Sept. 23rd, stated: . . . "UNEF has provided a pilot project for a permanent international police force . . . I still hold the view which I have expressed many times in the past, that only by the establishment of a permanent United Nations force can many of the hopes of San Fransisco be achieved."

The march toward world order is slow, but it moves to a hymn, not a dirge!

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STETSON HATS

STETSON "Shaped-to-wear" hats make an immediate hit with smart men because they're completely *right* at the first "try-on". They come from the factory with creases and dents already moulded in—*where* they should be, *as* they should be. And Stetson "Shaped-to-wear" hats *stay* right indefinitely. They're "aquanized" against showers, incorporate traditional Stetson quality and value.

Stetson prices: $9.95, $11.95, $15 and up.

Smart "Shaped-to-wear" styles are also produced by MALLORY—a famous brand name since 1817, and one of the Stetson Group of Companies.

Stetson Tela-Pinch "Shaped-to-wear"

Krupp-Eaton

CONTINUED FROM PAGE 7

and Premier Duplessis. We have one Murdochville and that is enough. We don't want a Kruppville too."

Ironically enough, Krupp had to come to Canada to be picketed. Labor relations in Krupp's factories are regarded as a model of propriety for all of Europe.

As to Ungava, Krupp did nothing to clarify the exact stage which plans for its development had reached. Questioned on this point during his press conference in Montreal, Krupp would not go beyond his insistence that "we are waiting now on the results of surveys of the area. It will take another two or three months to complete this, and then we may be able to say if we are going ahead and when."

However, there is little doubt that all but the final formalities need to be observed, and a precious few of these, to set the Ungava development moving. The West Germans have known of the Ungava properties since shortly after Eaton staked them towards the end of 1952, and last spring, they joined Eaton in organizing the operating company, Ungava Iron Ores.

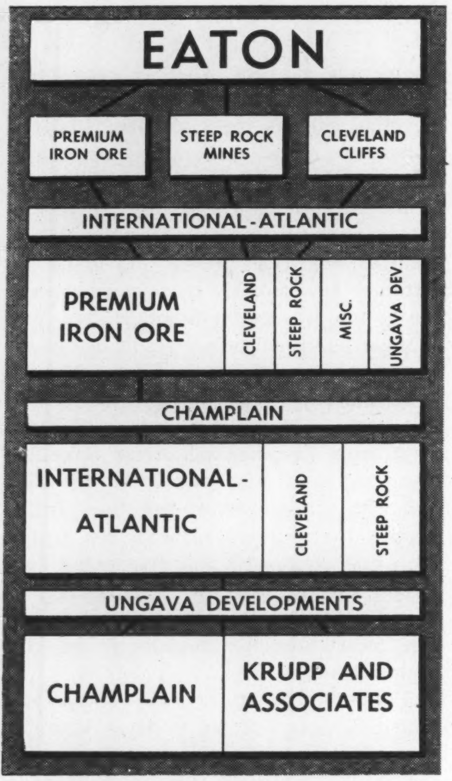
Against this background of sustained interest, supported by investment in Ungava Iron Ores, the visit of Krupp is regarded as a personal endorsement of arrangements already made rather than that of a potential customer who has yet to be sold.

The certainty of an early start in Ungava is further strengthened by pressure upon West German steel producers to find dependable sources of iron ore to feed the booming European demand for steel. West Germany now mines only about a third of its requirements. Sweden is the source for another third. The balance of West Germany's iron ore requirements—and its proportion is increasing every year — must be found on the world market.

Canada is particularly attractive as a future source of iron ore, quite apart from the plenitude and value of its resources, because of its economic and political stability, virtues for which the West Germans have a strong appreciation. And Ungava, within relatively short shipping distance when compared to other probable sources of supply, is a new operation which they have an opportunity to enter on the ground floor.

Krupp's position is more acute than the others. He must give up his ownership of West German iron and coal mines by next year. This was one of the conditions under which he regained his freedom after serving only six years of the 12 to which he was sentenced at Nurnberg.

Sale of the mines will break up the vertical integration, from iron ore to finished steel products, which has been the strength of Firma Fried. Krupp since its founding—unless of course, he can find new sources of iron upon which he can rely in the future.



In Ungava, he and the four other West Germans in the consortium would have reserves of concentrating ore estimated at close to two billion tons, with strong possibilities of this estimate increasing as the area is developed.

Ross Toms, a Canadian prospector, was largely responsible for the Ungava finds. He took them to Eaton in 1951 and the prospecting and staking were completed by the end of 1952. The Quebec government in 1953 granted mineral exploration permits to two Eaton companies, International Iron Ores Ltd. and Atlantic Iron Ores Ltd.

Atlantic, wholly owned by International, has since been granted an operating license on 136 square miles of its permit area and will be the first property to be brought into production, mostly because of its proximity to Hopes Advance Bay, the most acceptable shipping point on the west coast of Ungava Bay.

Hopes Advance Bay is 1,000 air miles north of Montreal, 50 miles beyond the tree line and 500 miles south of the Arctic Circle. Its ore deposits lie on the surface, in low ridges which extend for miles. They will be mined by open pit methods, similar to those employed at Knob Lake, and the ore will be concentrated on the site.

Only about two per cent of iron ore found in the Labrador Trough, the 600-mile belt of mineral deposits roughly paralleling the Labrador coast from south of Knob Lake to north of Ungava Bay, is high-grade direct shipping ore. The balance must be concentrated to increase the iron content and remove impurities.

The iron content in the principal ore beds in the Ungava area varies from 25 per cent to 50 per cent with an average of 34-37 per cent in those sections which qualify for open pit mining. Manganese content averages slightly less than 0.5 per cent and the percentage of injurious impurities is low.

Details of processing methods to be employed in Ungava have not been released. Metallurgists, both those employed by Eaton and those in Germany, have been working on this phase of the development for five years, the former using their experience in concentrating the low-grade ores of Minnesota and Michigan.

In general terms, the ore will be concentrated in the form of a fine powder, then pressed into hard-porous pellets of about a half-inch in diameter. The pellets will have an iron content of 65 per cent. Two tons of Ungava ore will made a ton of shipping pellets.

The open pit mining and ore concentration will continue through the winter whose severity is comparable to that at Knob Lake. The ore will be stock-piled until navigation opens, about July 20, and then loaded at special docks to be built at Hopes Advance Bay.

The short four-month shipping season places great importance upon rapid and well-organized water transport. There is no difficulty about adequate anchorages. The Canadian Hydrographic Service surveyed the harbor in 1955-56 and found it sheltered and with enough room to accommodate four large vessels at a time. The channel to the anchorage is deep and easily navigated.

The Eaton people have been exploring two possibilities to keep the ore moving at a rate to satisfy their customers. The first of these is a shuttle service to move the ore to an all-weather port in Greenland. There it can be stock-piled for trans-shipment throughout the year.

An elaboration of this possibility includes the construction of carriers built to navigate in ice. While it might not be economical to operate them in the dead of winter, they could enter service earlier in the summer and stay longer in the fall than conventional carriers.

The Eaton interests were reported earlier to be discussing plans for this type of carrier with Danish ship-builders. Preliminary talks have also been held with the Danish government on the use of a Greenland port but no details have been made public.

The other possibility is the use of super-carriers, able to carry as much as 70,000 tons of ore directly to Rotterdam where the ore would be trans-shipped to barges for movement up the Rhine River.

During the winter season, these super-carriers would move coal from Newport News to Rotterdam.

The chances are that as production increases, both methods will be employed to keep the ore moving. Not all of it will be going to Germany. Some of it will be shipped to other markets. Philadelphia, for example, is 200 miles less distant than Rotterdam.

Nothing has been said yet about public participation in the development. The $200 million estimate of the cost of putting the area into production could be met, if the principals chose, from their own resources. Likely they will finance the operation themselves, at least in the initial stages.

Their instrument for this is the operating company, Ungava Iron Ores, a Canadian corporation in which a half interest is held by Champlain Mining Corporation representing the Canadian and American interests, and Ferrum Investments Ltd. representing the German interests.

Ungava Iron Ores will operate under leases granted it by the two original concession companies, International and Atlantic.

The five West German steel producers represented by Ferrum are:

Mannesmann A. G., world's largest steel tube producer whose interests extend from shipping to plastics. It has built a large tube mill at Sault Ste. Marie where is uses steel produced by Algoma Steel Corporation;

Gusstahlwerk Bochumer Verein A. G., more than a century old and a manufacturer of railroad rolling stock and high quality steel;

Huttenwerk Oberhausen A. G., manufactures all types of sheet metal, rolling stock and semi-finished machinery parts;

Hoesch-Westfalenhutte A. G., a comparatively new organization, put together in 1947 and specializing in strip steel, plant machinery, spring steel and fabrication;

And Firma Fried. Krupp, a billion dollar empire, whose factories produce virtually every product there is, from false teeth to ships, with the exception of guns.

Although Champlain Mining Corporation, the other half interest in Ungava Iron Ores, is owned by three companies and they in turn owned by still others, the principal figure behind them all is Eaton.

International Iron Ores, one of the two concession companies owns 60 per cent of Champlain, Cleveland-Cliffs Iron Company and Steep Rock Iron Mines Ltd. each own 20 per cent. Premium Iron Ores Ltd. and a subsidiary, Glendora Holdings Ltd., owns 60.8 per cent of International, Cleveland-Cliffs and Steep Rock each own 10 per cent, Ungava Developments Ltd. owns 15.2 per cent and the balance is owned by miscellaneous interests.

Oilman Harold Rea

CONTINUED FROM PAGE 15

Teetotaller Rea admitted, "But I don't take a drink," when the prospect was laid before him.

"That's all right," Oil Controller Cottrelle said, "You do the work and I'll do the drinking."

This allocation of responsibility worked out happily for the new liaison officer, who has always found work a sufficient natural stimulant. During World War II he covered the country from coast to coast, setting up petrol bases in Newfoundland, flying to Alaska to allocate oil bases for ferrying aircraft to Russia, and in between times estimating and exploring petroleum needs along the Alaska Highway. When war ended he returned to Canadian Oil Companies as executive assistant to President John Irwin. At Irwin's death he succeeded to the presidency.

People who have caught the glow of purpose and concentration under Harold Rea's mild exterior are inclined to think he would probably have got along very well in the executive world even without the help of modern psychology, but the result of his changed attitude towards administration has been a stimulated staff and a more relaxed president—who now has time to travel.

A year ago, in the company of a group of seven other Canadians and 40 American business and professional men. Rea paid a visit to the Soviet Union. The trip took place during one of the Soviet's more hospitable phases and the group, an unofficial one, was allowed an unprecedented freedom of movement. Under the guidance of U.S.S.R. Deputy Prime Minister Mikoyan they even penetrated the Council Chamber of the Supreme Soviet where the Presidium holds its meetings when in session. It was an odd experience for a group of conservative westerners, and Mr. Mikoyan, survivor of every national purge since the days of Lenin, put them at their ease by urging them as a non-diplomatic group to ask any question that came into their heads. "I feel quite sure you will all come out of here alive", he added encouragingly.

Visitor Rea stayed on in the Soviet after the rest of the group returned to America. He was the first Westerner to be allowed to visit the famous Ural-Volga oil fields and admits that at least once during the three-day experience he felt a little uneasy in spite of the Mikoyan assurance. This was when he was taken at midnight to an airport outside Moscow and passed through several barbed wire enclosures and three sets of armed guards. "I began to wonder if I was to be taken in permanently", he said later.

Once transported to the Ural-Volga area, however, he was left completely at liberty. An ardent photographer, he went about taking pictures without attracting anything more than polite curiosity from his hosts. They cheerfully answered all questions and he learned that the Soviet output of oil was now 1,400,000 barrels a day as compared with Canada's 450,000. He also noted, in an unsupervised tour of the great refineries, that the physical set up was slovenly, and the general standards of production were at least ten years behind those in Canada.

But if the Soviet is often wasteful of human energy, it is, he found, brilliantly conservative of human talent. His interest in aptitude testing was naturally excited by the discovery that a continuous record is kept of every Soviet child's aptitudes and abilities through his school life. He was quick to recognize too the advantages of offering university training as an opportunity for the talented, instead of reserving it as a privilege for the well-to-do. Since his Soviet experience he has come out strongly in favor of the Russian educational system, "whereby every child is trained to the limit of his or her ability". He has also protested against the Western habit of raiding university staffs for industrial personnel. Our best educators, he pointed out in a recent speech, should remain in the university for the benefit of Canadian youth. "If knowledge is power, then the Russians are exploiting it in terms of long-term economic and industrial objectives," he said on this occasion, and urged that Canada follow the Soviet example. While he has lost none of his distrust of Soviet ideology, his experience during the Soviet tour helped to deepen his educational convictions, which are both liberal and pragmatic.

This year he made a nine-weeks tour of Italy, Austria, Germany, Switzerland, France, Belgium, Holland and England. He returned deeply impressed by Germany's success in repairing her shattered cities and wrecked economy; but he was disturbed by the apathy, inflation of prices and deflation of spirit he met everywhere in France. "The French Government seems prepared to give the public everything it asks for," he said, "and the public doesn't realize that its demands must be paid out of taxes. You can't have a healthy economy unless people are prepared to give as well as take." He is inclined to be distrustful of modern extensions of the welfare state, both in Canada and abroad.

If there is one thing Rea is sure of, it is the Canadian future. He is ploughing more and more capital into exploratory and manufacturing projects because he feels, "The next ten years hold great promise, and planning commensurate with this concept is called for if our company is to share in Canada's great future."

Editorials

Royal Welcome

THE QUEEN OF CANADA returns for an all too brief visit to this, her North American dominion. She will be here for only a few days confined largely to the nation's capital. But through the length and breadth of the land she is being welcomed with loyal fervor by the millions of her subjects who must on this occasion wait for newspapers and broadcasters to provide them with the details and pictures of Her Majesty's stay in Ottawa.

We on the staff of SATURDAY NIGHT, join with all other loyal Canadians in welcoming Her Majesty Queen Elizabeth and her consort, Prince Philip.

But may we also express the hope that this will be only the first of many visits, that there will be much less time between visits and that the time spent in this country will be counted in months instead of days. We believe we speak for all our fellow citizens when we say: "We are happy and proud that you have come back to Canada if only for a few days. But come back again and again and stay a while. You are the Queen of Canada and Canada would like more opportunity to demonstrate its loyalty and affection in as direct a way as possible".

Judges Benched

JUSTICE MINISTER FULTON has made a good start on his job. He has advised Provincial Governments to discontinue the practice of appointing Judges to conciliation boards in labor disputes. The advice is long overdue.

Appointment of judges to conciliation boards has had two results. It has distracted judges from the primary job of administering justice in the courts, and it has involved them in charges of partisanship and endangered their reputations for impartial judgment.

It is not often that conciliation reaches unanimous decisions. More often than not, the chairman (often a judge) must cast the deciding vote. This leaves him open to bitter charges of partiality — something no judge can afford, no matter how ill-founded the accusations may be.

Many times, too, the judge-chairman has had to delay his work as a conciliator in order to keep up with his work as a jurist. This has generally made the job of conciliation much more difficult, with either management or labor suspecting that there was more to the delay than simply the pressure of work on the judge.

The slowness and clumsiness of conciliation procedure, particularly in the most heavily industrialized province, Ontario, have irritated both labor and management for many years. The way is now cleared for a thorough revision of that procedure.

The Next Governor General

MR. DIEFENBAKER, like most Canadians, cherishes the ties between Canada and the U.K. But he must realize, too, that not only must he do nothing to discourage this country's growing national consciousness, but he must do nothing to confirm in the minds of many of his countrymen the false idea so carefully nurtured by some Liberals that the Conservatives will rush to attach Canada once more to British apron strings.

There are only two possible choices for the vice-regal appointment. One is a Canadian, and the other a distinguished representative of some other Commonwealth nation, apart from the U.K. The latter is a pleasant thought, particularly if the representative could come from Asia. But the swirl of domestic and international affairs now make it hardly practicable. That leaves the Canadian.

There are many distinguished Canadians who could fill the post with grace and honor. But one who has had strong ties with the Conservative party would be out of the question. Such a selection would confirm the appointment as a political plum. The person appointed, too, should have earned the honor not by his ability to amass wealth but by his recognized service to the nation.

When all these considerations are kept in mind, the selection becomes simple, almost absurdly so.

The logical person to become Canada's next Governor General is Mr. Louis St. Laurent.

We have had some harsh things to say about Mr. St. Laurent as a party leader and a Prime Minister. But politics forgotten, there is no man in Canada who could handle the vice-regal duties with more dignity and charm than he.

He has labored long and hard in the service of Canada — often brilliantly. His name is honored in all parts of the land and bears not the suspicion of a taint. He has a natural courtliness of manner and, by a happy accident of birth, admirably represents both French-speaking and English-speaking Canadians. He is fluent in both laguages, using them with a grace born partly of innate ability and partly of intellectual accomplishment. In bearing and manner and conduct, he would be a worthy representative of the Queen in Canada.

It would in every way be a statesmanlike move for Prime Minister Diefenbaker to recommend to Her Majesty that her vice-regal representative in Canada be Louis St. Laurent.

Sagging Boom

WHEN THE World Bank and International Monetary Fund held its twelfth annual meeting in Washington a couple of weeks ago, its proceedings did not get much public attention. There was the trouble in Little Rock, there was the Russian growling about the Middle East, there were football games and baseball games and all sorts of other interesting things going on. But there were at least a couple of significant developments at the meeting.

One was that Australia joined Canada in complaints about the effect on international trade of the American effort to dispose of its subsidized farm surplus. Canada's Minister of Finance, Donald Fleming, did not say much about this at the Bank meeting, but Canada's position had been made quite clear prior to the session. But at the meeting, the Australian delegate, Sir Arthur Fadden, spoke bluntly about his Government's displeasure.

"No country can be expected to stand idly by," he said, "when it is losing markets to subsidized exports."

The other development was the backing given the Fund's managing director, Per Jacobsson, in his contention that smaller trading nations have more to fear now from deflation than inflation — a contention that has significance for Canada. Canadians have been echoing American warnings about the dangers of inflation. Our cost-of-living index has continued to rise. But at the same time, prices for most of our raw materials are going down and we have more unemployment than a year ago.

We hope Mr. Fleming listened carefully to what Mr. Jacobsson and his supporters had to say.

ANSWER TO PUZZLER

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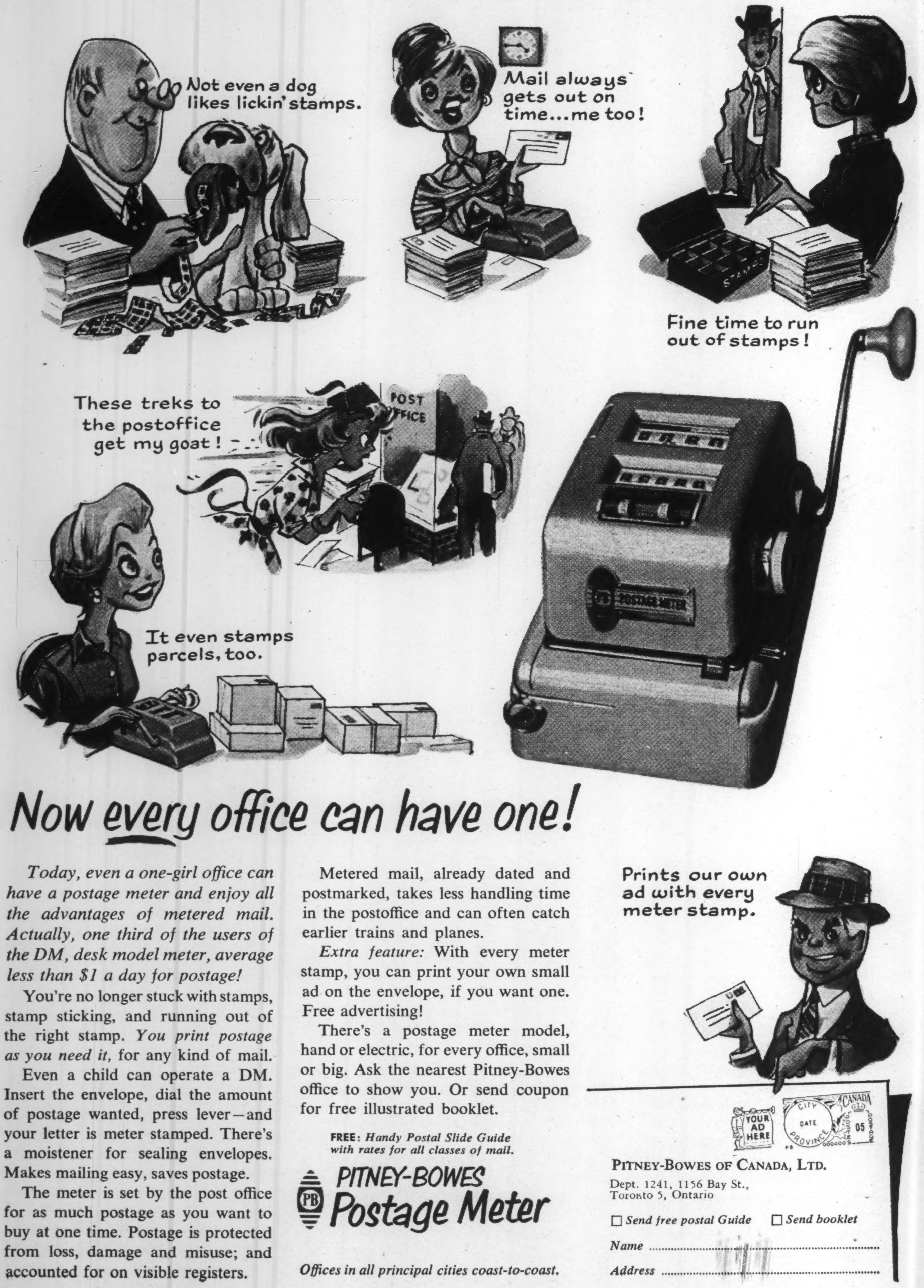

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